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SESSION 1951
HOUSE OF COMMONS

CAL XC 2
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SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

CHAIRMAN—MR. L. A. MUTCH

MINUTES OF PROCEEDINGS AND EVIDENCE

reports
No. 1

THURSDAY, APRIL 12, 1951

WITNESSES:

Mr. E. L. Burns, Deputy Minister, Department of Veterans Affairs.
Mr. J. L. Melville, Chairman, Canadian Pension Commission.
Messrs. Marc A. LaVoie and J. W. McKee, Commissioners, War Veterans Allowance Board.
Mrs. L. M. Whitworth, President, and Mesdames J. Robinson, K. Blenman, L. Caunt, D. Lowther, M. Wainford, J. Gowan, E. Darville, H. Hickey, M. Slawski and M. Kennedy.

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1951



REPORT TO THE HOUSE

THURSDAY, April 12, 1951.

The Special Committee on Veterans Affairs begs leave to present the following as its

FIRST REPORT

Your Committee recommends that its Quorum be reduced from 16 members to 12.

All of which is respectfully submitted.

L. A. MUTCH,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, April 12, 1951.

The Special Committee on Veterans Affairs met at 11 o'clock a.m.

Members present: Messrs. Balcom, Bennett, Blair, Brooks Carroll, Carter, Crory, Croll, Cruickshank, Gauthier (*Portneuf*), George, Gillis, Green, Henderson, Herridge, Larson, Lennard, McMillan, Mott, Mutch, Quelch, Roberge, Thomas, Weaver, White (*Hastings-Peterborough*).

In attendance: Mr. E. L. M. Burns, Deputy Minister, Department of Veterans Affairs; Mr. J. L. Melville, Chairman, Canadian Pension Commission; Messrs. Marc. A. LaVoie and J. W. McKee, Commissioners, War Veterans Allowance Board; Mrs. L. M. Whitworth, President, and Mesdames J. Robinson, K. Blenman, L. Caunt, D. Lowther, M. Wainford, J. Gowan, E. Darville, H. Hickey, M. Slawski and M. Kennedy.

On motion of Mr Croll, seconded by Mr. Lennard:

Resolved,—That Mr. Mutch be Chairman of the Committee.

Mr. Mutch took the Chair and thanked the Committee for the Honour conferred on him.

The Clerk read the Order of Reference.

On motion of Mr. George,—

Resolved,—That a Subcommittee on Agenda and Procedure, comprising the Chairman and 7 members to be named by him, be appointed.

On motion of Mr. George:

Ordered.—That the Chairman order the printing from day to day of such copies, in English and French, of the minutes of proceedings and evidence of the Committee as he may deem necessary.

Mr. Quelch moved that the Committee recommend that its Quorum be reduced from 16 members to 8.

Mr. Cruickshank moved in amendment thereto that the figure 8 be struck out and the figure 12 substituted therefor.

After discussion, and the question having been put on the said amendment, it was agreed to;

And the question having been put on the main motion, as amended, it was agreed to.

By leave of the Committee, Mr. Croll moved that representatives of the Canadian Non-Pensioned Veterans Widows be now heard; and that the travelling expenses incurred by the delegates be paid by the Committee.

After discussion, and the question having been put on the said motion, it was agreed to.

Mesdames Whitworth and Darville were called, heard, questioned and retired.

On motion of Mr. Lennard, at 12.25 o'clock p.m., the Committee adjourned to the call of the Chair.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
April 12, 1951.

The Special Committee on Veterans Affairs met this day at 11 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Gentlemen, it was not our intention to convene this committee immediately, because, as you know, the legislation which has to be considered by us has not passed its first reading in the House and is not yet available to the members of the national organizations who are anxious to appear before us, so they are not ready. But there were special circumstances which arose within the last few days which made it seem advisable—and the minister concurred in the thought—to convene the committee at this time.

Mr. CROLL: This matter, Mr. Chairman, was brought to the attention of the minister. A delegation from the Canadian Non-Pensioned Veterans' Widows Dominion Council are here today and they have been here for some time. I think it would be in their interest as well as in the interest of the committee not to have them come back a second time but rather to hear them at the present time. So, if there is unanimous consent by the committee, I would move that they be heard now, and that the travelling expenses and such other customary expenses of the delegates be paid in the usual manner.

Mr. CRUICKSHANK: Perhaps I have not paid as much attention as I should have, but would it be possible to have the order of reference read again? I would like to hear this delegation, in so far as I am personally concerned, provided the matter with which it deals comes within the powers of our order of reference. But if it does not, then I would like to ask for the proper procedure to amend the order of reference.

I do not want you to think that I am being critical, I am merely expressing my opinion, but I think the most important thing is how to assist those who now come under a set form of pension to meet the cost of living. So far as I am concerned, I do not want to hear statistics and experts from all the branches of government such as we heard the last time. I know what I want to recommend on that subject right now without having charts, maps, and such things placed before me. I know how much a dollar will buy and I am not against hearing these people. But before the motion is put, I would like to have the order of reference read again, because I intend in some way or other to make a motion to expedite what I consider to be the most important matter before this committee at the present time.

The CHAIRMAN: At the present time there is nothing before the committee except a motion by Mr. Croll. But as to the terms of reference, perhaps the clerk will re-read them.

The CLERK:

Resolved,—That a Special Committee composed of 31 Members, to be named at a later date, be appointed to consider a Bill to enact The Special Force Veterans Benefit Act; also proposed amendments to the Pension Act, The Veterans Insurance Act, The Returned Soldiers' Insurance Act, The Veterans' Business and Professional Loans Act, and such other legislation as may be placed before it, and to make recommendations from time to time in respect thereto, and that paragraph one of Standing Order 65 be suspended in relation thereto.

That the committee shall have power to send for persons, papers and records, and to print such papers and evidence from day to day as may be ordered by the committee.

That the committee shall have leave to sit while the House is sitting.

Mr. CARROLL: Mr. Chairman, how is it that these people are coming before the committee before the committee has even been convened?

The CHAIRMAN: Nobody has come before the committee.

Mr. CARROLL: How does it happen that they appear in Ottawa at this time, then?

The CHAIRMAN: The situation is this: It has been said by the minister many times, and it has been mentioned in the Speech from the Throne that there would be a committee set up right after Easter. This delegation has come down frequently to discuss its problems, and in those years when a committee was set up, it was customary for us to have them appear before this committee.

Mr. CARROLL: How large a delegation is it?

The CHAIRMAN: There are eleven members of the delegation. They come from right across the country. The situation is this: they came down here expecting that we would be sitting. Perhaps they were not able to find out just when we were going to sit. I spoke to certain members of the committee, and I found the consensus to be that the committee would be willing to hear them. The terms of reference gave the committee specific powers to do certain things; and as the minister said in his speech in the House the other day it is within our powers to listen to anybody we want to listen to. Whether or not we have the power to do what some of the people who approach us will ask us to do is a question that we will meet when we come to it.

Mr. CARROLL: I have no objection at all.

Mr. CRUICKSHANK: Mr. Chairman, might we have the order of reference read again?

The CHAIRMAN: Yes, certainly.

The CLERK:

Resolved,—That a Special Committee composed of 31 Members, to be named at a later date, be appointed to consider a Bill to enact The Special Force Veterans Benefit Act; also proposed amendments to the Pension Act, The Veterans Insurance Act, The Returned Soldiers' Insurance Act, The Veterans' Business and Professional Loans Act, and such other legislation as may be placed before it, and to make recommendations from time to time in respect thereto, and that paragraph one of Standing Order 65 be suspended in relation thereto.

That the committee shall have power to send for persons, papers and records, and to print such papers and evidence from day to day as may be ordered by the committee.

That the committee shall have leave to sit while the House is sitting.

Mr. HERRIDGE: I would like to support Mr. Croll's proposal. It is a courtesy to these people who happen to be in Ottawa and I hope the committee will adopt the resolution.

The CHAIRMAN: Is there any further discussion? Are you ready for the question? Those in favour will signify in the usual manner. Those opposed, if any? I declare the motion carried and I shall now ask the delegation to come in.

Gentlemen, while we are waiting for these ladies to file in, I would just like to say that we have with us this morning the deputy minister, General Burns, Brigadier Melville of the Pensions Branch, Mr. Lavoie, and Mr. McKee

of the War Veterans Allowance Board. They will be in attendance during all our deliberations to assist us in accordance with the general practice.

Gentlemen, I am going to ask Mrs. Whitworth, President of the delegation to come up to the table and make the presentation. I do not think these ladies need any introduction to you. Some of them have been coming to see us for many years to discuss their problems with us in the committee, and if they have not caught up with you in your offices, now that they know you are on the committee, you will be meeting them from time to time. I would ask, on their behalf, for the courtesy of the members of this committee.

Mrs. Whitworth, the minister has asked me to express his regret that, owing to a cabinet meeting, he is unable to be here.

Mrs. L. M. Whitworth called:

The WITNESS: Mr. Chairman and members of the Veterans Affairs Committee: let me say that we deem it a great privilege to be able to come before you today. When we arrived on Monday we did not expect to find that the committee had been set up. We rather expected that it would be several days before the committee would be functioning. So we deem it a great pleasure, I assure you, to have this privilege of appearing before you today.

In the past, gentlemen, we have always been very brief in our presentations to you. In fact, I know in the past it has been commented upon by the chairman in his remarks. Therefore, without any preliminaries, I shall just deal with the resolutions that we are asking for.

Our first resolution is:

That the widow's allowance now payable under the War Veterans' Allowance Act be raised to fifty dollars (\$50.00) per month.

When we first got this \$40.41 we thought it was a pretty good thing but, as you know, since that was granted the cost of living has piled up and piled up and it is really very difficult today; in fact those widows who are living alone cannot possibly exist on \$40.41 per month.

For example, in Toronto the average rental for a room is \$25 a month, and that leaves very little for the widow to exist upon, to pay for food, fuel, as well as clothing. I do not think that those of you who have families will fail to realize what the cost of living means today. We have not forgotten a promise made by the former Prime Minister that the dependents of veterans would be cared for. Therefore we think that we are a preferred group and that we should at least have enough to live upon decently.

Our second resolution is:

That all non-pensioned veterans' widows whose late husbands served in England with the Canadian Forces during the first great war, be considered under the War Veterans Allowance Act.

At one time we had great hopes, under the former minister, that this matter would be covered, and that those men who left their homeland where they were domiciled and went across the ocean and served where needed would be covered. Perhaps the government and the authorities found that they were better off in England or wherever it might be over there, rather than serving on the continent. So they did not serve in an actual theater of war and they did not have a pension at the time of death. Therefore these widows have been disqualified.

The third resolution is:

That an amendment to the War Veterans' Allowance Act be made whereby all widows in receipt of the allowance receive free medical care and hospitalization under the Department of Veterans Affairs.

We are all getting older naturally and medical care is more of a problem today. We feel that hospitalization can be obtained in some cases. Especially if the widow is alone she would not have very much difficulty through the social services in gaining admittance to hospital. But where there is a son or daughter, then that son or daughter has to pay for the hospital expenses. The authorities of the hospital keep dunning those boys and girls at their places of work, for the payment of the hospital expenses. So we feel that what is needed is something more in line with the Old Age Pension in Ontario, whereby the recipient receives a card which is presented to her own doctor. What she needs is merely medical advice and probably medicine. But all medicine is not free in any of these hospitals. There are certain drugs which must be paid for.

Our fourth resolution is:

That the widows of Imperial veterans who have resided in Canada for 20 years, and whose late husbands died prior to having the necessary residence qualification, be granted the widows' allowance under the War Veterans' Allowance Act.

We know that as it stands now the veteran must himself have lived in Canada in order for his widow to qualify. These widows in many cases were left widowed soon after these men came to the country. They have brought up families and many of their sons and daughters served in the forces during the last war, and some of them today are serving in the special force; and we think that as long as the widow has resided for twenty years in Canada the benefits of the Act should be extended to her. That is the resolution.

We now come to the assistance fund. Most of you, I think, will agree with me that the assistance fund has not offered the assistance which was intended by the department. We feel that too much is left to the individual offices; and we, as women, have gone into a number of families and have seen the actual conditions there, and probably we know these people very well and know that there are many cases which ought to be granted assistance, cases which are equally as deserving as those which were not turned down. What it amounts to is this, that another means test has been instituted in the case of widows applying for this assistance in addition to the other means test. To get this allowance you must also have another means test to qualify under the assistance fund. We must start with the fact that we are getting the \$40.41 to begin with. Now, in the case where there is an individual member of the family contributing to the expenses of that home, it seems that the department expects that son or daughter to live on the same amount that the mother is living on. I will give you an example. A woman is receiving \$40.41. She and her son have a little home. The son is working at hard outdoor construction work and he contributes \$15.00 a week for his board. Of course then he needs much more food than his mother does, although that mother is a diabetic requiring a special diet and necessary supplies other than insulin in order to keep alive. When she applied to the assistance fund her application was turned down and it took from the beginning of December to almost the last of February before that case was investigated. We are told that when a case comes up for investigation by the assistance fund that, well if they have any case requiring investigation under the 'war veterans' allowance fund the application for the allowance under that fund must be considered first before a widow is eligible to apply under the assistance fund, before such an application will be considered, so the widow has to wait all that time, and repeated calls to the department do not do very much good. However, they eventually got around to it and then, of course, these notices are sent out that the assistance is not granted owing to the fact that there is no apparent financial distress.

I asked the chairman of the department down here to define financial distress, and he told me that was the sixty-four dollar question, that he could not

do it. Apparently financial distress is different in different circumstances, particularly in the case of the assistance fund. However, I asked him how they defined it and what I was told was this: a widow was getting \$40.41, the son was contributing \$65 a month, that was \$105.41. Now, a veteran if he were living with his wife would get a total amount of \$70.83, and possibly \$20 from the assistance fund; making a total of \$90.83. Therefore, she was getting about \$15.83 more than the veteran and his wife would be entitled to. But they did not take into consideration the needs of that man who was working outside, nor did they take into consideration the expensive diet of a diabetic. We find that it is pretty hard to get consideration. As a matter of fact, we feel that the person who can make up the best story and take it down to the department—if that person has a good story when the investigator comes along—would get the assistance from the fund.

Gentlemen, we feel that a raise in the basic rate is needed to meet this situation. By way of illustration let me give you an example of an old lady of 73. She was taken sick on the street one day. Someone had her taken to the doctor in a taxi; then she had to go again and the doctor had to go to see her. At any rate, she ran up a bill of \$30 plus taxi fare. She applied for aid under the assistance fund. She was told that it was not necessary, that she did not have any financial distress, and the assistance was not granted. The poor old lady was really feeling pretty bad about it and she called me and I am glad to say, gentlemen, that through the intervention of one of the members here—the member I might say is Mr. Macdonnell—through his intervention she eventually got that allowance. But why should there be the necessity of making an appeal to you gentlemen. All we want is the assistance which we believe we are entitled to. This assistance provision was put there for the purpose of giving assistance; therefore, why should it be necessary to apply to the department and be turned down by the department? When the application has been turned down by the department we make a special appeal to some of you gentlemen and you sometimes get action for us. That is what it amounts to. When we are turned down we eventually have to go back to our M.P. Why should that be necessary? We feel that in conjunction these men who compile these cost-of-living budgets, whatever you call them, these investigators, that it might be a good idea if you had a few women who knew just a little bit about keeping a home to indicate to them just what the cost of food and other necessities really is.

I think that is about all I have to say. I have been as brief as I possibly could be. If there is anything further, Mr. Chairman, if any of the gentlemen present would like to ask a question, I shall do my best to answer.

The CHAIRMAN: Thank you very much, Mrs. Whitworth. Now may I take this opportunity to say that I appreciate your suggestion about having women investigators, and may I assure you that in our district the investigators are all women.

Gentlemen, you have all heard the able presentation by Mrs. Whitworth. Do you wish to ask her any questions?

Mr. BALCOLM: Mr. Chairman, I am a new member of the committee—

The CHAIRMAN: You have to speak up louder, please, Mr. Balcolm.

Mr. BALCOLM: I would like to congratulate Mrs. Whitworth on her very able presentation; at least, that is what I thought of it. Now, Mr. Chairman, I understood from the first resolution submitted that these people were not a preferred group. May I say that I consider they are. In the third resolution, with regard to free medical treatment, I think some of the provinces, I think Nova Scotia does give some free medical care to a pensioner. And in resolution four, I just want to ask if the husbands of these widows in this case enlisted in Canada?

The WITNESS: No, they are Imperials.

Mr. BALCOLM: They did not enlist in Canada?

The WITNESS: No, they came here after the war.

The CHAIRMAN: They belong to the group which became eligible in 1920, shortly after World War I.

Mr. GILLIS: Mr. Chairman, just to keep the record straight on this matter of free medical care, there is no free medical care today for widows of veterans or veterans under the war veterans allowance in Nova Scotia. They do make some provision for the old age pensioner. A doctor may be called and in some cases they give a prescription, but that does not entitle them to free medicine. I wanted to get the record straight on that point because I have argued in the House for that very thing and I would not like to see the record state that there is free medical care in Nova Scotia when, to the best of my knowledge, such is not the case.

Mr. BALCOM: We do give certain types in Halifax free prescriptions.

The CHAIRMAN: But that is under provincial legislation?

Mr. BALCOM: Yes.

Mr. GOODE: Mr. Chairman, I want to put this on the record—

The CHAIRMAN: If you will talk loud enough it will go on.

Mr. GOODE: Sorry, Mr. Chairman, I have a sore throat this morning. Can the witness tell me whether the ladies of her organization are under hospitalization in British Columbia?

The WITNESS: I am afraid I cannot, sir; you see, I come from Ontario.

Mrs. DARVILLE: When they get it.

Mr. GOODE: I know the answer but I wanted to have it on the record. Do the ladies of your organization pay hospitalization under the Hospitals Act in British Columbia?

Mrs. DARVILLE: As I said, when they get it.

Mr. GOODE: I want to know too, Mr. Chairman—and you may be able to answer this question—is there any appeal open to these ladies if they are turned down under the assistance Act; is there any appeal from such a decision?

The CHAIRMAN: I think I am correct in saying this, that they have the opportunity to re-apply within I think it is three months.

Mr. E. L. M. BURNS (Deputy Minister, Department of Veterans Affairs): Yes, three months.

The CHAIRMAN: I believe that is correct, that they can apply again at the end of three months.

Mr. GOODE: May I take that as an answer, that they have the right to apply again in three months?

The CHAIRMAN: That is right.

Mr. GOODE: I would like to ask one further question. The chairman of the ladies delegation who presented this very fine brief to us this morning might be able to tell me this in respect to resolution number four. Where does the Imperial veteran come in? I understand that this Act takes in all the veterans of allied forces who fought on the side of the British and Canadians during the first world war. Is that right, Mr. Chairman?

The CHAIRMAN: That is correct.

Mr. GOODE: Then in this brief you are only asking for the widows of Imperial veterans. Would there be some discrimination as against widows of other allied forces?

The WITNESS: No. I suppose that word was used because that is the word we have used before committees right from the beginning; since we first organized, we have been asking for the same thing for all using the term "Imperials". At that time we considered the use of the term very broad and that it covered all affected.

Mr. GOODE: Then you are asking for all veterans of troops of allied countries?

The WITNESS: Oh yes.

The CHAIRMAN: Are there any further questions, gentlemen?

By Mr. Green:

Q. Mrs. Whitworth, in your first paragraph you are talking about hospitalization?—A. Yes.

Q. You have in mind hospitalization in hospitals of the Department of Veterans Affairs, or where would you get this hospitalization?—A. Oh no, in the civilian hospitals.

Q. Pardon me?—A. No, in the civilian hospitals.

Q. I see. And not in departmental hospitals?—A. Not in, shall I say, a hospital like Sunnybrook in Toronto.

Q. Not in the D.V.A. hospitals?—A. No, but we think there should be some way that we can be able to have this care; at least free medical care and help with medicine, without going through all this fuss. When you call a doctor he expects you will pay him and you expect to pay him, and it is not very easy.

Q. I thought you had in mind getting the care from the departmental hospitals?—A. No.

Q. I take it then that you do not think you should get help of that kind there, but rather through the civilian hospital?—A. That is right.

Q. Veterans allowance recipients get hospitalization in departmental hospitals, do they not?—A. The war veteran does.

By Mr. Goode:

Q. How many widows are there who would come under this paragraph 4, and how many widows would there be who would come under paragraph 3 who would have to be considered?—A. I could not tell you.

Q. Have you any idea?—A. I have no idea other than that I know there are a great many in Toronto.

Mr. LARSON: Would it be possible to have an estimate on the total number of people involved in these paragraphs.

The CHAIRMAN: I doubt it. As I recall it took us two and one half years to make a survey of the number of veterans who might be involved before we could pay the allowance, payment of which started last year to Imperials and allied veterans. Even then the information which was obtained came to us more or less from the associations, the different Canadian Legion branches, the Pensions department and from welfare workers. It was reasonably accurate. Everybody had a hand in it. But we had more applications in the first year than we ever expected.

Mr. CRUICKSHANK: What was the estimate?

Mr. BURNS: About three thousand.

The CHAIRMAN: Yes, the estimate was that there would be about three thousand in the first year. I think, without having seen the figures, that the number of applications has already gone far beyond that, so I do not think it would be practical for the purposes of this committee to even try to get anything like accurate figures. The only thing we could do, perhaps, would be

to find out how many had applied. That might give us some idea, but it would certainly be difficult to ascertain anything like the total amount. I doubt if the veterans allowance people could give us any information on that.

Mr. LAVOIE (*War Veterans Allowance Board*): Only in those cases of which we had a record.

The CHAIRMAN: We could probably turn up the number who have applied and been rejected on that ground. Would that meet the situation?

Mr. LARSON: I think the committee should have some way of finding out the number involved in this.

The CHAIRMAN: Yes. I think before the committee will be in a position to make any recommendation we will have to get all kinds of information, but at the moment all that would be available, for instance, within a reasonable time, would be the numbers of those who were applying.

Mr. McMILLAN: Can we obtain the number of widows, under resolution 1, who are already drawing war veterans allowance?

Mr. BURNS: I am told, Mr. Chairman, that there are 7,827 widows drawing war veterans allowance—

Mr. HERRIDGE: I think this discussion as to numbers is somewhat out of order. We are here to listen to the representations of the organization concerned and this information spoken of would require considerable time for preparation. I think it should be left until the committee gives considerations to the recommendation of the organization.

The CHAIRMAN: I stand rebuked, Mr. Herridge. I am conscious of the fact that some part of what we are doing is out of order. Without general consent, I do not propose to let the committee run too far in the discussion. I did think, however, that the committee would agree with me in allowing this expression of opinion so that the ladies would understand that we are taking cognizance of their representations and that we are prepared to give consideration to them.

I think I shall now, Mrs. Whitworth, express to you the appreciation of the committee for the forthright manner in which you made your views known. It will not surprise you to know that I was not surprised at anything you said because we have discussed these things before.

Was it your intention, before we finally thank you, to ask any of the ladies with you to supplement what you have said?

The WITNESS: I would like to call on Mrs. Darville.

Mrs. Ethel Darville, called.

The WITNESS: Mr. Chairman, Mr. Deputy Minister, and gentlemen: Mrs. Whitworth has covered our case very well and she leaves very little for me to say. However, I am from British Columbia, representing all of British Columbia, and the rents out there are terrific. By the time the members have paid \$25 for a room there is very little of their \$40.41 left. With the remainder, they have to buy clothes and although most of them make their clothes they have to buy the goods in the first place.

One particular point I would like to have cleared up is to ask about the difference between doctors and dentists. That is another sixty-four dollar question.

Mr. Mutch: Perhaps you should enlighten us as to why you ask?

The WITNESS: I want to ask the question because one of my members, who happens to be in Mr. Goode's jurisdiction, went down for assistance. She had been taken very sick and had been in hospital for a long time—six or

eight weeks in hospital. When she came out she had the hospitalization taken care of—at that time they were not in such a filthy muddle as they are now. The hospitalization was taken care of but the doctor's bill was \$120. Naturally, being an honest woman, she went to D.V.A. and took the bill with her thinking she could get assistance, if only in part. Because it was a doctor's bill they would have nothing to do with it.

A little further away in Mr. Green's district, and Mr. Green and Mr. Goode happen to be sitting together here, there was another member who had her teeth out. She went to D.V.A. to get the money for new teeth. Everything was in order. Now, they were both doctors—one a dentist and one a doctor—and would you please tell me why the doctor is not supposed to live but the dentist is?

Mr. GREEN: Well, you have moved over into my riding.

The CHAIRMAN: She had the evidence right with her.

The WITNESS: Well, you were both there and it was a strange coincidence—

Mr. GOODE: May I say that it is a coincidence that we are sitting together.

The CHAIRMAN: I would like to suggest that probably one of those people needs a new member of parliament.

The WITNESS: I do not know which to choose from. I know Mr. Green very well but I also know Mr. Goode, and as Mr. Goode is a new member let us give him a chance.

Some Hon. MEMBERS: Oh, oh.

The CHAIRMAN: I think I had better keep quiet.

The WITNESS: I think, as our president has mentioned, that hospitalization is the real problem. If one of our members is sick at the present time, and I can only speak for British Columbia because I do not know the other provinces—but if a member is sick and she has not paid the hospitalization, and in most cases she has not, she cannot get into the hospital—although the Hospital Act says that you cannot prevent anyone from being admitted.

I would like to recommend to this committee that a card be given to these widows in receipt of veterans allowance so that they may go to their own doctor or the hospital and some medical care should be given to them. The matter of the Imperial widows was, I think, very well covered.

There is something else which I was particularly requested to ask about. Why is it that a man can die with a 45 per cent pension, and, because they find out he dropped dead from a heart attack, his widow is still only in receipt of \$40.41. The same is true for cancer cases. To me it is rather an injustice. It does seem to me these cases should be re-opened but we cannot re-open them unless we find fresh evidence and the evidence is very difficult to get as the years go on. I think that is about all I can cover, other than what Mrs. Whitworth covered.

The CHAIRMAN: Thank you Mrs. Darville. Does anyone wish to comment on what Mrs. Darville has just said?

Mr. GREEN: Could we have a word from the deputy minister with regard to this question of hospitalization? Mrs. Darville has been referring to the difficulties that have cropped up in British Columbia with the provincial hospitalization insurance scheme.

The CHAIRMAN: Yes.

Mr. GREEN: Those widows are supposed to pay their premium each year to the provincial government in just the same way as the general public has to pay. She is dealing with that provincial scheme but the departmental hospitals are caring now for the younger women who served in the second world war. Are there not facilities for giving hospitalizations to those war

widows who are in receipt of the war veterans allowance? They are certainly in an impossible position now. It is perfectly obvious that they cannot afford to pay the provincial hospital insurance premium, which, for a husband and wife is \$42. For a single person it is—

The WITNESS: \$30.

Mr. GREEN: Yes, and it is impossible for them to pay. I think the provincial authorities have not been pressing for the payment of the premiums, perhaps, but it is very difficult and if some arrangements could be made for the hospitalization of these widows in departmental hospitals it would meet a crying need. I would like to hear from the deputy minister as to what possibility there is of that service being given.

Mr. GEORGE: On a point of order. I do not think we can take this up in the middle intelligently. I think we should hear the brief and what the ladies have to say. I am not in a position, this morning, to assess this by picking it up in the middle. When these resolutions come before the committee the departmental officers will be present and will have all of the information. Now we are trying to pick this up in the middle and we cannot get into it.

The CHAIRMAN: I was going to rise when Mr. George did to point out that Mr. Green got along very well for a while but when he invited the deputy minister to give the possibilities of doing something about this situation, he, as he very well knows, was inviting the deputy minister to express himself in the field of what is policy. I am quite sure that the deputy minister is too astute to do that, but it is my duty as chairman to prevent him anyway. That will not be in order and we will have ample opportunity to discuss the matter during the sittings of our committee. At the moment I am quite sure that these ladies did not anticipate taking any answer away from us today. I think they are aware of the situation and that they have accomplished the things which they asked us—to bring them here; to hear them; to let the committee become acquainted with them; to meet new members; to make us aware of what they consider to be their major problems.

Consequently, Mrs. Whitworth, if you have no further representations to make I would like to thank you, on behalf of the committee, for your presentation. I think I might go a little further and thank you for the scope and nature of the work you do in your own districts and for the co-operation we have had from you from time to time in your own districts.

Now, gentlemen, that brings us to the position where a motion to adjourn is in order. I draw your attention to the fact that there is nothing before the chair. I might just say one word, however, with respect to additional legislation. Some of you have approached me individually and asked when I thought legislation would be before the committee. I think I indicated that we hoped it would be before the committee shortly after Easter. For two or three reasons that has not been the case. One reason has been that delays in the House have not made it possible. A second reason has been, of course, that some of the national veterans organizations, and in particular the Canadian Legion, have requested us not to hurry with the work of the committee. They are gathering a little later on and they would like us to be sitting at that time in order that they may have the opportunity of having some of their national officers meet the committee. We have made no commitments to that extent because the work of the House must proceed in an orderly fashion but we have given consideration to their proposals, as we always do. We hope to make the sittings of this committee jibe with their wishes to some extent.

It is proposed to bring down the legislation as speedily as the machinery of the House permits. I should think that we will be able to get first reading of the bills shortly and you will know what is before you.

Under the circumstances I would like to say that there is nothing before the committee and I would ask for a motion to adjourn and we will meet again at the call of the chair.

Mr. WHITE: It may be out of order but I think the point that Mr. Cruickshank has brought up is most important. We all heard the debate in the House on the setting up of the committee. All who were here before remember that Mr. Mackenzie and Mr. Gregg stated that in the committee everything relating to veterans could be brought up, but in this committee there may be some restrictions. Now, if that is correct why not have it understood at the beginning what we are going to deal with and not bring to Ottawa veterans associations from all over Canada and raise their hopes that this committee is going to something? If we cannot do anything for the widows or those under the War Veterans acts why hear delegations and briefs in Ottawa? I suggest, Mr. Chairman, that the suggestion made by Mr. Cruickshank be given serious consideration, and at our next meeting, when it will be in order, let us have it definitely understood what legislation or what matters we will be permitted to deal with.

The CHAIRMAN: I do not want at the moment to assume the role of interpreting the terms of reference; I think they are abundantly clear to all of us. I take some exception to what you said with reference to the 1948 committee, that there were limitations on the 1948 committee: there have never been, in my knowledge, any restrictions on the committee in considering anything that the committee in its wisdom decided to or wanted to consider. There are restrictions in all committees as to what they can recommend, and those restrictions are parliamentary. The committees follow the rules of the House and in committee, as in the House, those rules will be adhered to but there is no restriction I did ask for unanimous consent to hear the delegation this morning, from the standpoint of immediately dealing with any of these problems. But as to the terms of reference—I am speaking my own view and if I get corrected after I go away you will hear about it too—I feel that the terms of reference state quite frankly the business that may be referred to. If you can conceive that the government as the result of representations made this morning should decide to bring in an amendment to the War Veterans Allowance Act and refer it to us, the terms of reference provide for it. My interpretation of the terms of reference, which I think I can substantiate, would be to the effect that we have not any power to recommend with respect to that.

Mr. CRUICKSHANK: It will be quite in order then, will it not, for this committee to make recommendations—I am not going to specify—

The CHAIRMAN: With respect to matters not referred to it?

Mr. CRUICKSHANK: Possibly within the order of reference. What I am getting at—and I do not want to be specific about this now—if we want to recommend something that we think the majority should think—I put it that way—the majority should think is of importance, we do not have to wait until the legion convention in May, we can make that reference to the House can we not without waiting until then?

The CHAIRMAN: I could not answer a hypothetical question like that. It would depend on the nature of it.

Mr. CRUICKSHANK: Then, I will make it definite.

The CHAIRMAN: There are some things I feel sure the committee might refer to. I do not think the committee should recommend anything which would entail the expenditure of public money.

Mr. CRUICKSHANK: I will put it specifically: Suppose the majority of the committee could see fit to recommend to the government that immediate action

be taken in regard to the sufficiency or not of the present pensions or balances paid out?

The CHAIRMAN: Unless it were related to a specific matter referred to us my answer would be no.

Mr. CRUICKSHANK: Are we entitled—I am asking for information at this meeting now—to make a recommendation to the House that our order of reference be amended to permit us to make such a recommendation?

The CHAIRMAN: The committee always has the power to ask the House to amend its own terms of reference. The power to amend the terms of reference naturally lie with the House itself, but the committee has the power to report back to the House and ask for a change in its terms of reference.

Will someone move the adjournment of this meeting?

Mr. MOTT: Mr. Chairman, considering the terms of reference and the remarks of Mr. Cruickshank, would it not be right that where we are going to have representations those concerned should be notified before they come here just as to the problems we are dealing with?

The CHAIRMAN: The national organizations are very well aware of the terms of reference to the committee. One of the reasons they have asked us to delay the sittings of the committee is, I think, to allow them an opportunity to study the legislation, in order that they may deal specifically with those matters with which we are asked to deal; but I am still of the opinion that in their appearance here the committee has, if it wishes, the power to listen to any representation although it may not have the power to do anything about it. I could give you an example: the last committee, as members of the committee will remember, voted to hear representations of the Hong Kong veterans on a question which dealt solely with the Department of National Defence, and that was Pacific pay. I ruled—I was chairman of that committee—and the ruling was upheld that this committee had no power to deal with it because it did not fall within the terms of reference and it was not involved in our department. The committee agreed, and I permitted the motion and it carried, that we would listen to their appeal, and in our final report we said we hoped that the Minister of National Defence would listen to them with sympathy and consider their problem. Now, that is not a recommendation to the House to do a specific thing. That is as recent an example as I can give you.

Mr. BROOKS: Is not the procedure in matters of this kind that we set up our steering committee, that the steering committee secures the names of the different organizations that wish to appear, and then the steering committee considers whether what they wish to discuss comes under the terms of deference or not, and if it does it recommends to the larger committee that these people be heard because they come under the terms of reference, and on the judgment of the larger committee with the facts before them will depend whether they will be heard or not.

The CHAIRMAN: That is correct, Mr. Brooks. As soon as I get an adjournment we will decide upon who will form the steering committee.

Mr. QUELCH: If certain veterans' organizations make a strong representation, for instance, regarding some matter that is not within the terms of reference, this committee would have the power, would it not, to ask that the terms of reference be widened to include that matter?

The CHAIRMAN: I would have the power to recommend that its terms of reference be widened but it would have no specific relation to that.

Mr. CROLL: Did not the House go through the question of the widening of the terms of reference in the debate in the House? Are we not discussing something that has already been decided by the House? I understand there was an

amendment made by Mr. Herridge and you, Mr. Brooks, you both made amendments with a view to widening the terms of reference and the minister said, "No, the terms of reference will remain as is", so our opportunities to have them widened are very small. Anyhow, it seems to me that if we devote ourselves to the bills we may find ample opportunity in those bills to do some of the things we have in mind at the present time rather than talk about the extension of the terms of reference. To do so will merely be wasting our time, I think.

Mr. QUELCH: The only difference is that these recommendations would come as the result of new evidence that comes before the committee, evidence that was not available at the time the matter was decided upon in the House.

The CHAIRMAN: If you ask me whether we have the powers to ask that the terms of reference be widened, the answer is, yes the committee has that power. If you asked me whether or not such a recommendation will likely be concurred in, I refer you to Mr. Croll's remarks.

Mr. GILLIS: Is this committee now permitted to make recommendations in connection with the War Veterans' Allowance Act?

The CHAIRMAN: I would have to say no, if those recommendations involve the expenditure of money. At the moment, however, we can make no recommendations on anything, as there is nothing before the chair. This is an academic discussion, because there is nothing before the committee at the moment.

Mr. GILLIS: Mr. Croll stated that there would be bills coming before the committee. I judge from the terms of reference there will be no bills on widening or opening up the War Veterans' Allowance Act?

The CHAIRMAN: That is something that is a presumption on your part which may or may not be correct. I do not know and you do not know what the government is going to propose.

Mr. GILLIS: Mr. Chairman, what I would like to have done is this: Could you come back to this committee at the next meeting and be prepared, after consultation with your department, to give us a decision as to whether we can make recommendations on the War Veterans' Allowance Act or not. That would satisfy me and if we are not in a position to do that let us not waste time by bringing these people in here.

The CHAIRMAN: I can tell you now, that so far as the terms of reference are concerned at the moment, we have no power to make such a recommendation, if a recommendation comes forward concerning the War Veterans' Allowance Act. We have the power to deal with the things that have been referred to us, but at the moment nothing has been referred to us.

Mr. BROOKS: Under the terms of reference they could do that but all we can do is deal with the matters that have been referred to us, and if they are very limited—

The CHAIRMAN: Beyond this as I said before, Mr. Brooks, the committee in its wisdom may listen to any representation it wishes.

Mr. HERRIDGE: I would just like to mention in that connection that the committee may decide later to ask for some extension of powers or the matters it can recommend upon, but you will remember in connection with the Hong Kong question that it was not referred to the committee but nevertheless the committee heard representations; the committee could make no recommendations but the matter was mentioned in the committee's report and later on the Hong Kong veterans did receive some increase in pay.

The CHAIRMAN: There is nothing to prevent this committee considering any relevant matter and listening to representations on it.

There is a motion before the committee to adjourn to the call of the Chair.

The committee adjourned.

SESSION 1951
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

CHAIRMAN—MR. L. A. MUTCH

MINUTES OF PROCEEDINGS AND EVIDENCE


No. 2

TUESDAY, MAY 8, 1951

WITNESSES:

Honourable Hugues Lapointe, Minister of Veterans Affairs.
Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs.
Mr. J. L. Melville, Chairman, Canadian Pension Commission.

OTTAWA
EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1951



ORDERS OF REFERENCE

THURSDAY, April 12, 1951.

Ordered,—That the quorum of the said Committee be reduced from 16 members to 12.

THURSDAY, April 26, 1951.

Ordered,—That the name of Mr. Richard (*Gloucester*) be substituted for that of Mr. Langlois (*Gaspe*) on the said Committee.

TUESDAY, May 1, 1951.

Ordered,—That the Message of His Excellency the Governor General, together with the Supplementary Estimates for the fiscal year ending March 31, 1952 (Item No. 650), presented to the House of Commons this day, be referred to the said Committee, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

Ordered,—That the name of Mr. Jutras be substituted for that of Mr. Gauthier (*Portneuf*) on the said Committee.

Attest.

LEON J. RAYMOND
Clerk of the House.

MINUTES OF PROCEEDINGS

TUESDAY, May 8, 1951.

The Special Committee on Veterans Affairs met at 11 o'clock a.m., the Chairman, Mr. L. A. Mutch, presiding.

Members present: Messrs. Balcom, Bennett, Blair, Brooks, Carroll, Carter, Corry, Croll, Cruickshank, George, Gillis, Goode, Green, Harkness, Herridge, Jutras, Lennard, McMillan, McWilliam, Mott, Mutch, Pearkes, Quelch, Richard (*Gloucester*), Weaver, White (*Hastings-Peterborough*).

In attendance: Hon. H. Lapointe, Minister of Veterans Affairs; Mr. E. L. M. Burns, Deputy Minister; and Mr. J. L. Melville, Chairman, Canadian Pension Commission.

The Chairman reported that, pursuant to a resolution adopted at the last meeting, the following had been named as a sub-committee on agenda and procedure: the Chairman and Messrs. Brooks, Croll, George, Gillis, Green, Mott and Quelch.

The Chairman presented the first report of the sub-committee on agenda and procedure, which is as follows:

The sub-committee on Agenda and Procedure met on Friday, May 4, and agreed to recommend:

1. That the next meeting of the Committee be called for Tuesday, May 8, at 11 a.m. for consideration of Vote No. 650 of the Supplementary Estimates.
2. That at the Tuesday meeting, officers of the Department of Veterans Affairs be heard in explanation of the proposed financial assistance to unemployable veterans and the regulations in respect thereof.
3. That, following the practice adopted by Veterans Affairs Committees in the past, the Committee do not investigate individual cases; and that it consider representations from Veteran organizations only when submitted by their Dominion Commands.
4. That the Canadian Legion and the National Council of Veteran Associations in Canada be given an early opportunity to appear before the Committee.
5. That when the representatives of the National Veteran Organizations have been heard, and all proposed legislation relating to veterans introduced in the House, the Committee decide as to what other witnesses shall be heard.

On motion of Mr. Croll, the first report of the sub-committee on agenda and procedure was concurred in.

The Chairman tabled a *Diagram Illustrating Application of Unemployment Supplement*, which is printed as *Appendix A* to this day's minutes of proceedings and evidence.

The Committee proceeded to the consideration of the following Supplementary Estimates for the fiscal year ending March 31, 1952:

Item No. 650: To provide financial assistance after the thirty-first of May, 1951, in accordance with regulations to be made by the Governor

in Council, to unemployable veterans who are in receipt of pension under the Pension Act for a disability which is a major factor contributing to their unemployability \$2,000,000

Mr. Lapointe explained the purpose and application of the proposed unemployment supplement to pensioners.

Mr. Burns was called, explained the proposed supplement in more detail, and was questioned.

Mr. Melville was called and questioned.

It was agreed that the Committee meet on Monday, May 14, and thereafter on Monday and Thursday of each week.

The Chairman reported that tentative arrangements had been made to hear representatives of the Canadian Legion of the British Empire Service League on Thursday, May 17, and of the National Council of Veteran Associations in Canada on Monday, May 21.

At 12.50 o'clock p.m., the Committee adjourned until Monday, May 14, at 11 o'clock a.m.

A. L. BURGESS

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
MAY 8, 1951.

The Special Committee on Veterans Affairs met this day at 11.00 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Well, gentlemen, I see we have a quorum, and there are one or two matters to come up before we begin the formal consideration of the item before us this morning. Before you, you will shortly have a chart illustrating the application of unemployability supplement which is the main feature of the item before us, and then, I think, the secretary had better read to the committee the results of the meeting of the steering committee which was held last Friday.

The CLERK: (reads)

1. That the next meeting of the Committee be called for Tuesday, May 8, at 11 a.m. for consideration of Vote No. 650 of the Supplementary Estimates.
2. That at the Tuesday meeting officers of the Department of Veterans Affairs be heard in explanation of the proposed financial assistance to unemployable veterans and the regulations in respect thereof.
3. That, following the practice adopted by Veterans Affairs Committees in the past, the Committee do not investigate individual cases; and that it consider representations from Veteran organizations only when submitted by their Dominion Commands.
4. That the Canadian Legion and the National Council of Veteran Associations in Canada be given an early opportunity to appear before the Committee.
5. That when the representatives of the National Veteran Organizations have been heard, and all proposed legislation relating to veterans introduced in the House, the Committee decide as to what other witnesses shall be heard.

The CHAIRMAN: Gentlemen, you have heard the report of the steering committee. Those in favour of its adoption? Contrary, if any?

Carried.

As you have heard, the primary purpose of convening the committee this morning is to bring for the information of the committee and interested veteran organizations some of the details which lie behind that rather brief estimate in the supplementary estimates which was referred to in the House the other day and has been referred to this committee; and in order to begin that it was agreed in the steering committee that the practice we will follow will be to ask the minister and the officers of his department to lay before you the general proposals and then there will be an opportunity—a free and full opportunity, of course—for the committee to discuss them in whatever fashion may please them.

I will ask you to take advantage of the paper you have in front of you and make notes of questions you want to ask. We will appreciate it if you will allow our witnesses to give an uninterrupted presentation for the beginning. With these comments I think I should proceed then to the presentation.

MR. GOODE: Mr. Chairman, before that is done, on a matter of personal privilege I wish to revert to the minutes and proceedings of our last meeting and in particular to the presentation given by Mrs. Darville. There might be an idea in some members' minds that when she started to give her evidence on a case she referred to—a case of a lady in regard to a hospital bill—that it was so seriously considered by the chairman that he made a remark that someone in British Columbia should have a new member of parliament. But I do think it should be said in this committee that this case was never brought to my attention, and I think it should be fair to say that any evidence given to any member of this committee, in fact, any member of the House of Commons, would be considered in the light of the evidence and presented to the proper authorities. I assure you, Mr. Chairman, that that was the first time I ever heard of the case.

MR. GREEN: On page thirteen there is a mistake in that report. We had a little interchange and I said you should have had her move over into my riding whereas the report says "you have moved over into my riding".

THE CHAIRMAN: It seems to me I certainly owe an apology to, I am afraid it is Mr. Goode. I would have been equally willing to apologize had I realized that it applied to Mr. Green, because it was certainly not my intention as an individual or as the chairman of this committee to say that. That was one of those unfortunate incidents of what is called a smart crack that went sour. I had no business making it and I can assure you there was no reflection intended on either Mr. Goode or Mr. Green.

MR. GOODE: I think it should be said on the transcript of today's proceedings that the remark was facetious and was not intended as read.

THE CHAIRMAN: What I have said this morning, Mr. Goode, will be on the record and if anyone refers to it to you I will only be too glad to send him a copy of today's minutes.

With your permission, gentlemen, I will ask our minister, since this is our first formal meeting, to introduce the discussion by saying a few words to you. I think we will proceed as we formerly did, by speaking from our seats, and if we find we cannot be heard or if you insist on interrupting one another all the time we will revert to the other practice; that is, until we find that it does not work I think we will speak from our seats.

HON. HUGUES LAPOINTE (Minister of Veterans Affairs): Mr. Chairman, may I first thank you for the privilege of addressing the committee, of which I am not a member. I wanted to be present at what you referred to as being the first formal meeting of the committee if only to accept the very kind invitation and suggestion of the member for Cape Breton, in the House, when he said he would like to see me around the table once in a while.

Now, the item that is before you as a supplementary estimate, implements the intention of the government to provide supplementary allowances for pensioners who are unemployable and whose pensionable disability is a major factor in their unemployability. As you know, representations were made to the department last autumn by the Canadian Legion and by the National Council of Veterans Associations for an increase across the board in the basic rate of pension, and for various other measures of assistance to pensioners and dependents.

Now, after very careful consideration of the representations by responsible veterans organizations and after having made a survey of the situation ourselves we came to the conclusion that the most pressing problem or problems, rather, were those of pensioners who were unable to work and who had to consider their pensions, at whatever rate it might have been, as their sole source of income; and similarly that there was hardship in the cases of widows with small children who because of the care they had to give to their children were unable to supplement their pension income.

Now, the proposal which has been referred to this committee and which is before you today as a supplementary estimate is made under the authority of section 6 of the Department of Veterans Affairs Act, and it is for the purpose of relieving this hardship—these difficulties—in the case of unemployable pensioners: relief for widows and the extension of certain other benefits will come under other legislation such as amendments to the Pension Act, which will be placed before you in due course. Now, might I be permitted to say right away that I and my colleagues in the cabinet are quite aware of the sincerity of those who urge that an increase be extended right across the board and that it be made applicable to all those who are in receipt of a disability pension. We are completely sympathetic with the motives which prompted these representations. As I mentioned before, our own survey of the situation has shown us that there were some genuine cases of hardship and we have been able, as the occasion arose, through our own services to observe these. However, in trying to find a solution we looked into many factors.

Now, it seems to us there is no question that the present day idea of the working and earning capacity of those who are victims of the most serious disabilities is very different to what it was a few years ago. Certainly to what it was ten, twenty and thirty years ago, and it is true that no longer is the man, for instance, who has lost a leg or who has lost an arm considered as being out of the labour market. No longer do people hold the belief that his earning capacity is necessarily circumscribed by his physical disability. I need only recall to members of the committee, some of whom I know are aware, that in the month of February there was held in Toronto a conference on rehabilitation of handicapped people which was sponsored jointly by the Department of Labour, the Department of National Health and Welfare and the Department of Veterans Affairs more or less in a consultant capacity, and where delegates not only of those departments but of both provincial and municipal governments attended and where industry and labour and the various professions were present; and the general conclusion of the conference was that the loss of some physical attribute was not of itself an occupational handicap. Now, it is possibly true that still too many of us are apt to consider a disability pension as a means of livelihood, as a substitute for a pay envelope, if you like to put it that way.

Now, there is no doubt that some years ago that was true but I think now that a better conception of the purpose of a pension is that it is to compensate the recipient for the loss of ability to do anything that a person without a disability can do.

Now, a pensioner lives with his disability twenty-four hours a day and not only during his working hours, and therefore it seems we should consider a pension in terms broader than that of a subsistence allowance. This change in the concept of disability which has taken place in the last few years is certainly due in great part to the courage and the determination of the disabled persons themselves who have been the greatest single contributing factor to this change in our thinking because they have refused to be retired, they have refused to be in sheltered employment, they have insisted they can be completely self-supporting in the competitive field of business and industry, and the success which their tenacity has achieved has certainly taught us a great deal of how little in some cases the most serious disabilities may interfere with every day earning of a living. Of course, to make the maximum use of those faculties which a disabled person has remaining, in many cases special employment techniques are required and retraining may be called for, but we certainly can say today that in the vast majority of cases a physical disability is not of necessity an occupational handicap. As a matter of fact and record, and I would like to tell this to the members of the committee: the experience which we have in the department has shown that pensioners, recipients

of disability pensions, are as a general rule, more stable employees in industry and everywhere else in the other fields than those without a physical disability.

Now, we took the employment record of pensioners into consideration along with a number of other factors in looking for a formula which would provide the maximum assistance where it was most needed. Members of the committee will recall—and I would like to come back on these figures for a couple of minutes if you will permit me—that in the House on April 4, when I introduced the resolution to set up this committee I stated that there are approximately one hundred and sixty-two thousand disability pensioners in Canada. Of these, sixty per cent, or approximately ninety-five thousand, come into the category with comparatively slight disabilities. They are within the category of disabilities of twenty per cent or less. Now, it is necessarily true that if we increase the basic rate of pension right across the board as has been suggested to us, it would mean that in this ninety-five thousand or sixty per cent of all disability pensioners there are thousands and thousands whose pension cheques would be increased by only \$3 or \$4 monthly. In some cases, as a matter of fact, the increase would only be \$1.60 and \$1.75 monthly and yet the total increase to this group would be approximately equal to the total increase to the high disability group suffering from eighty per cent and more disability.

Now, another twenty per cent of the disability pensioners or about thirty-three thousand of them are pensioned at rates of twenty-five per cent to forty-five per cent. Now, this group which is more seriously disabled than the previous group, the records show, are not any longer handicapped to any great extent in earning their living under the conditions which exist today, and they represent, together with the group I mentioned before, eighty per cent of all pensioners, one hundred and twenty-eight thousand. Of the remaining twenty per cent of all pensioners only one half or approximately sixteen thousand have disabilities which call for pensions of eighty per cent or more.

Now, before we could make any final decision as to basic pension rates we required information as to the general employment situation of pensioners. We felt it was important that we obtain a good general idea of the type of employment they have found, of the income which they earn, and whether their situation today is less or more favourable than it was before their original enlistment.

Now, to give the result of these investigations in very general terms we found that over ninety per cent of pensioners were employed and that their income as a whole compared favourably with their incomes before their enlistment. Further details of this investigation and survey can be given to you by the departmental officials in due course at the demand of members of the committee, if they so desire. Well, after consideration of this information and of other factors, we came to the conclusion, as I said before, that by providing a special allowance for the pensioners who are unemployable and whose pension disability is a major factor contributing to their unemployability we could greatly alleviate such hardships as exist in the cases of a certain body of pensioners today, and we came to the conclusion that by so doing we would be giving help where help was most needed and we would be helping the man who was suffering a disability and who is now undergoing financial hardships because of a serious disability which he had incurred in the service of his country. I do not want to go personally now into all the details of this measure and, as I mentioned before, the officials of the department are at the disposal of the members of the committee to explain this particular measure in detail.

Might I add, Mr. Chairman, that, as hon. members of the committee know, besides the provisions for this unemployability supplement, bills will shortly be laid before you to amend the Pensions Act so as to increase the amount

payable in respect of children of widows to assist in the education of the children of men who have died in the country's service and to extend the limiting date for World War I veteran marriages.

We will also lay down before you a bill to provide veterans benefits for the special force and certain groups of Canadian forces, to amend the Insurance Act by extending the period within which the application may be made and broadening the benefits in certain particulars, and also to amend the Returned Soldiers Insurance Act so as to make it conform to some of the changes which will have been made in the Veterans Insurance Act. There will also be a measure to amend the Veterans Business and Professional Loan Act, which is a Department of Finance Act, as you know, by extending the duration of the Act again. Needless to say I do hope that placing these measures before you as soon as possible they will have the benefit of your critical examination and kindly suggestions. I am sure that as preceding veterans affairs committees have done you will discharge your duties in such a way as to improve further the body of veteran legislation to which many among you have contributed and of which I think we may be very proud.

I think that is all, Mr. Chairman.

The CHAIRMAN: Thank you, Mr. Minister.

In accordance with our agreement at the beginning I think perhaps I will now ask the deputy minister, Mr. Burns, to go ahead and make a further detailed description of the proposals, and I imagine he will want to relate it somewhat to the chart which lies before you.

Mr. E. L. M. Burns, Deputy Minister of the Department of Veterans Affairs, called:

The WITNESS: As the minister has mentioned, the principal concern of those who have made representations to the government seems to be for those who are compelled to live on their pension alone and not so much for the very large group who would only be receiving \$2.00 or \$3.00 a month more in their pension cheques. The representations which have been received, and the arguments which have been advanced, are mainly on the theory that the pension is the sole income.

The group which must live entirely on pension received is, accordingly, at this time the principal concern of the government. That is because those able to work receive along with the rest of the working population, an increased scale of wages and salaries, which enables them to meet current living costs.

Accordingly, as the Minister informed the House in his original statement in regard to this, it has been decided that we can best help this group about which we are most concerned by inaugurating a policy of paying an additional allowance to those pensioners who are unemployable.

This allowance, as was stated on April 4, will be \$40.00 a month for a married pensioner and \$20.00 a month for one without dependents.

You have before you a diagram which, I think, shows how this allowance will supplement or augment the pension of those who are unemployable.

In order to understand this diagram best, I think we should begin by noting that a married veteran without any pension at all may get a War Veterans' Allowance of \$70.83 per month. Then a veteran with a 15% pension can also get the War Veterans' Allowance of \$70.83 a month because his total income is still below the \$1,100 ceiling which is placed on income by the War Veterans' Allowance Act. You will note that the 20% pensioner, however, gets an additional War Veterans' Allowance of \$66.66 which is the most he can have if his

total income is not to exceed \$1,100, the War Veterans' Allowance Act ceiling which I have just mentioned. Decreasing amounts of War Veterans' Allowance may be paid to pensioners receiving up to 40% pensions. At the present time, even the 70% pensioner can receive a small amount of War Veterans' Allowance to supplement what he gets by way of disability pension.

Under the new proposal, for married pensioners of 45% disability and upwards, it is proposed to pay them the unemployability supplement instead of War Veterans' Allowance when they are unemployable, and when their pensionable disability is a major factor in causing that unemployability. As the supplement is only to be given in cases which are pensioned at 45% and over, it will be a general presumption that the pensionable condition is a major contributing factor.

As I mentioned, while previously a 70% pensioner could get a small amount of \$4.66 per month by way of War Veterans' Allowance to supplement his pension, he will now be able to receive \$40.00, that is to say, from the 45% up to the 100% pensioner, a considerable increase to his income will be allowed when he is unemployable, that is, when he is not able to work and has to depend upon pension entirely in lieu of wages or salary. No account, however, will be taken of property, savings or other assets, as is done under the War Veterans' Allowance Act. In other words, there is no means test.

I might say that this proposal will do what has been urged by certain groups of high disability pensioners for some time past, that is to say, it will place the high disability pensioner in the same position as the War Veterans' Allowance recipient in that when he is unemployable, he will be able to draw a sum of money to help cover his requirements in the absence of wages or salary, and that will be in addition to the payments that are made to him in respect of his disability, that is, his ordinary pension, or as some prefer to call it, war disability compensation. This measure, it is felt, will work out to the benefit of those groups towards whom veterans bodies and the general public are particularly sympathetic, that is, the high disability pensioners and especially, of course, the high disability pensioners who cannot work.

The supplemental allowance to the 100% married pensioner who is unemployable is \$40.00—and that makes an increase of 32% on his present \$125.00 per month.

For the 75% unemployable married pensioner, you will note, the increase will amount to 43% of what he is now receiving.

It has been suggested that the unemployability supplement introduces a means test into pension legislation. This, we feel, is not so; the regulations and instructions being prepared for the administration of this measure will make it clear that no inquiry into the property or financial assets of applicants is to be made. The criteria will be whether the pensioner is unemployable, and whether his pensionable disability is a major contributing factor to that unemployability.

Unemployability will, in general, be determined by consultation between the doctors, the Casualty Rehabilitation officers, and the National Employment Service. The department, as most of you gentlemen are well aware, has had long experience in determining unemployability in connection with War Veterans' Allowance.

Now, there is one qualification regarding income from other types of pension. When a universal old age pension without means test is made law, as it is expected to be, a pensioner who qualifies for it will receive that award and not the unemployability allowance, that is, after the age of 70. In accordance with the same principle, a pensioner who retires after completing his ordinary period of working service with a government or a large corporation and who receives superannuation or retiring allowance from the government or corporation equivalent to the universal old age pension, will not be considered to fall in the unemployable classification.

The reasoning behind this is that when, for example, a man makes his life's work the civil service, he will normally expect to retire at age 65 on an allowance. His life is divided into the working period and the period of retirement, which for the civil service starts at 65, and his remuneration is divided into the salary which he gets during the working period and the pension that he gets during the retirement period. In such cases, pensioners, although retired, would not be considered to be in the unemployable category. Those with small superannuations who would feel it necessary to supplement them, if they sought work and if they proved to be unemployable, would be eligible for the allowance.

The principle of an unemployability allowance is not new in pension procedure. It is in effect in the United Kingdom, in New Zealand and Australia, and the department's information is that it is serving a most useful purpose.

In the United Kingdom, for instance, experience has shown that the main principle—that pension is awarded according to medical assessment of the degree of actual disablement without regard to earnings—is advantageous when applied over the whole field of disability pensions. It enables high pensions to be paid to seriously disabled veterans who are, nevertheless, able to follow their normal occupations and to earn full wages. The payment of the supplement, which separately recognizes unemployability, enables this original principle to be maintained to the advantage of many, while the relatively few pensioners whose disability has had an extra effect of nullifying their earning capacity are able to receive compensation over and above the normal pension based on the degree of disablement.

As the United Kingdom has had an unemployability supplement in effect for some time, and has found it to be a great benefit to unemployable pensioners, it is proposed at the beginning to base our regulations and procedure on the principles of the British system which have been proved in practice. The regulations which will be made by the authority of the Governor in Council can, of course, be changed if it is felt that any of them are not applicable to Canadian conditions.

Now, Mr. Chairman, that concludes what I had prepared to say but I might inform you that we have available the officials of the department, including the director of casualty rehabilitation who may, if you wish, give further details of the present status of pensioners, their employment, and all factors relating thereto.

The CHAIRMAN: Is that Rider's survey?

The WITNESS: No, Rider's is a survey we made in conjunction with the unemployment insurance but information can be given on that also.

The CHAIRMAN: Thank you, General Burns. Gentlemen, you have heard the formal presentation of what lies behind this estimate and a detailed explanation of the chart which lies in front of you.

The minister mentioned—or perhaps it was the deputy minister—that certain studies were made of the situation of pensioned veterans with respect to employment, and if it is the wish of the committee to have an explanation of what was done in response to a request from any of you, I think perhaps we could supply you a little further information. Otherwise, the matter is open for your discussion and comments.

Mr. GILLIS: May I ask General Burns a question?

The CHAIRMAN: Yes, of course, Mr. Gillis.

Mr. GILLIS: In listening to you, I got the impression that the principle you are adopting in this particular award would be liable to change the basis that has been established over the years for pensions. At the present time a pension is based on the disability, regardless of earning capacity. Now, there is not any intention or suggestion that a pensioner coming in with a certain percentage

of disability will be assessed on employability rather than being assessed straight on disability? You are not going to change that principle of determining the disability by his employable possibilities?

The WITNESS: Brigadier Melville will say a word but before he does I might say that the principle of additional assistance to unemployable pensioners is by no means new, because we have had unemployment assistance since 1923. We have had assistance under the War Veterans Allowance Act since 1930. Now, this is really extending that assistance to the higher disability group which has sometimes felt it was discriminated against.

Mr. GILLIS: I am not objecting to that at all.

The CHAIRMAN: Brigadier Melville?

Mr. MELVILLE: To reply to the question raised by Mr. Gillis may I state most emphatically that there is no intention whatsoever of doing anything that will disturb the basis on which a disability pension is awarded. Disability is defined as the loss of the will or power to do the normal physical or mental act. This is the basis upon which the Table of disabilities has been prepared by the commission. That remains in effect and I might add it is brought up to date from time to time as we learn more and as advances are made.

Mr. HERRIDGE: Mr. Chairman, I would like to suggest that it would be much better to hear the arguments or the bases for these changes before we start our questioning.

The CHAIRMAN: I am in the hands of the committee with respect to that. There are two ways in which we might proceed. One is for me to continue asking the officers to lay before you the information on which the department based its recommendations. The other method is for you to ask questions and have the answers produced—or have me tell you that I will get them. I am in the hands of the committee. Would you like to have the representations referred to a moment ago?

Mr. GOODE: As far as I am concerned, Mr. Chairman, I have another meeting at 12 o'clock but I do serve notice that I want to take some time to study the remarks of the minister and the deputy minister. I do not think that anyone is likely to get the full gist of what is in this until we get the Minutes of Proceedings.

The CHAIRMAN: I do not anticipate that this matter will be settled by 12 o'clock.

Mr. GOODE: That is what I wanted you to say.

Mr. PEARKES: There are a couple of questions that I would like to ask arising out of the deputy minister's statement. The first is: if a pensioner receives a supplementary allowance will that in any way affect any other supplementary allowance that he might be receiving? I am thinking of the helplessness allowance for those people who have received assistance from somebody else.

The CHAIRMAN: Perhaps Mr. Melville will answer.

Mr. MELVILLE: A pensioner who is entitled to receive the helplessness allowance will receive his helplessness allowance independently of the unemployability supplement which might be granted to him on account of unemployability.

I might elaborate there that unemployability itself does not constitute authority for the commission to award a helplessness allowance. The Act says, in order to qualify for helplessness allowance, that a pensioner must be totally disabled, helpless, and in addition in need of attendance.

We have had personal representations from a number of severely disabled pensioners who are unable to get work. The last was a pensioner in Duncan,

on Vancouver Island. He is a 100 per cent pensioner not eligible for helplessness allowance. He is able to wash, to feed himself, to tend his garden, and he even goes down to the village and does the shopping. His wife was severely ill. He wrote asking in desperation whether there was any way by which he could get an increase in pension. That man will undoubtedly qualify for the supplementary \$40—in other words a 32 per cent increase in the pension he is getting.

Mr. CRUICKSHANK: Would not a blind man get it automatically?

Mr. MELVILLE: Not automatically. As we know, a number of blind men are employed. If a pensioner is getting a total disability pension for blindness—if he is married it is \$125 a month, in addition he gets \$960 a year—or \$80 a month as helplessness allowance because he is blind. If he is working and has a steady income he is not unemployable, and many have been trained to be employed, although many are not. We have a number of blind men who are undoubtedly unemployed and unemployable. They would qualify for the award.

Mr. CRUICKSHANK: What I am getting at is if you specified—would he not get it automatically? Does he have to have some means test?

Mr. MELVILLE: Definitely no means test. He gets the total disability award and he gets his helplessness allowance. All the district authority has to determine is whether he is unemployable.

The CHAIRMAN: The fact of employability.

Mr. MELVILLE: If he is employed he is not unemployable.

Mr. CRUICKSHANK: What I am trying to get at is a blind man who is now in receipt of the total pension—whatever it is—and the total amount for helplessness, has he got to go through some other medical board or would he not automatically get the increase by applying for it—if he is not employed?

Mr. MELVILLE: If he is not employed and if he is considered to be unemployable he will get the allowance. His case will have to be considered by the district authority and there will be very little difficulty in establishing the claim.

Mr. RICHARD: I would like to have some explanation to reconcile the two statements—that in determining the supplementary amount which he is to receive no consideration is to be taken of anything of a separate income or investment that the pensioner may have—that was what was stated.

The CHAIRMAN: Other than wages of employment.

Mr. RICHARD: How is it if he receives a pension towards which he has contributed and in which he has a certain vested right, how is it that is considered in the department as a supplement?

The WITNESS: The practice as I said on which we formed these proposed regulations for the administration of the unemployability supplement is that of the British. There they go on the principle that a man who has passed the age of 70 and who is receiving the old age pension without a means test receives that in place of this unemployability supplement, having got past the age of employability. They also follow the principle that a man who has been, for example, a civil servant, or in the employ of any other large body which has a well established pension or superannuation scheme, naturally expects to stop work at age 65 and then he goes on pension. He is not considered to be in the same category as a younger man who would like and who needs employment and who has nothing in the nature of income when he cannot be employed.

Mr. CRUICKSHANK: What is the definition of unemployable?

The WITNESS: Unemployable—

Mr. CRUICKSHANK: Perhaps I had better start with what I am getting at. If I understood you correctly a man who has got a ceiling of 90 per cent we will say of a disability pension, if he is unemployable, is entitled to this allowance. Well, for instance if he was in the city—a blind man might be able to run a cigar store but in rural districts how could he do that? What would happen there?

The WITNESS: Well, of course, as you know we have been dealing with these cases of unemployability under the War Veterans Allowance Act for a very considerable time, and by and large the definition would be the same in the case of these pensioners as it is under the War Veterans Allowance Act. It would depend on the situation. Is there any work in the locality which the pensioner is capable of doing? There are many veterans who perhaps have an amputation, who if they were in the city could get employment in a number of light industries. On the other hand, if they are in parts of the country where there is no employment except on farms or in the woods, they are unemployable and so would be qualified.

Mr. CRUICKSHANK: That was what I was getting at.

The WITNESS: Account has to be taken of the employment situation in the area in which the man is living.

The CHAIRMAN: In other words they will not say that because you live in a little village or on a farm and there is no work that you cannot qualify because you do not go to the city and take work. They will have to take account of regional opportunity the same as they do under the War Veterans Allowance Act.

Mr. CRUICKSHANK: Well what I am trying to get clear is if a man is classed as unemployable it would be said to him that he should move to Smithville and that he will be employed there.

Mr. BROOKS: Suppose a man finds it is impossible to get employment, he would be considered unemployable? That is he might be able to do some sort of work but he is in a locality where he cannot get any work, will he get any consideration from this?

The WITNESS: In the ordinary case unemployability will be determined by whether he can get any regular employment. He would probably be referred to the National Employment Service in the area and if they say there is nothing that he can do around there that would be pretty conclusive in the matter. Casual earnings of small amounts would not be taken into account—

The CHAIRMAN: May I interject, gentlemen, with respect to this proposal, that like all other legislation the success or failure of it will depend upon the administration of it. The department is at the present time working out regulations for the administration of this proposal. The basis, as General Burns has said, is the experience of the British which is the senior in this field. I have little doubt, and I am sure that most of you will have little doubt, that there will be bugs in the administration due to local conditions in Canada. I think we will have to accept or reject this thing and having accepted it we will have to work out the Canadian application in our own regulations. They are returnable and reviewable by the House, and we will have to make what suggestions we can to make the plan workable, and to watch it very closely while it is under administration for perhaps a year. I think that is the case, and any new proposals or suggestions you have pointing out pitfalls ahead will be welcomed and attention paid to them. Eventually we will get a workable Canadian administration.

Mr. BROOKS: Would this be considered an extension of the War Veterans Allowance Act?

The WITNESS: No, it is quite separate.

Mr. BROOKS: Well, the principle is the same?

The WITNESS: Except there is no means test.

Mr. QUELCH: In some ways may this not be more rigid than the War Veterans Allowance Act? For instance, under War Veterans Allowance you have a ceiling of income. Therefore, a war veteran can do work and receive \$150 if he is a married man without having any reduction from his war veterans allowance.

The CHAIRMAN: \$250.

Mr. QUELCH: Under this if the pensioner gets a job and works and receives \$200 then is he debarred from getting the \$400? Or is he entitled to get \$200, making up the \$400? Or, does the fact that he has worked debar him entirely from the Act?

The WITNESS: If he were working in regular employment he would not be entitled to the unemployability allowance.

Mr. QUELCH: If, during the course of a whole year, he has only been able to get \$200, if he has certain employment made available to him and he only gets \$200 a year, does he become employed and not eligible for the \$400? If so, as a result of working he has lost \$200.

The CHAIRMAN: I think that would have, by regulation, to be treated as casual.

Mr. QUELCH: I think it is a point that has to be clarified because there would be many many such cases occurring.

The CHAIRMAN: Against that take the chap who has a war veterans allowance ceiling and draws a pension plus \$4.63—that is on a 70 per cent pension. He would be getting something like \$4.63 war veterans allowance but now would be able to get \$40. The immediate effect of this would be to supplement substantially the income of the higher pensioner who is getting a very small margin of war veterans allowance. It will give him very much more. The man whose case you raised does present a problem which will have to be taken care of in the interpretation of employability.

Mr. CRUICKSHANK: Mr. Chairman, is it not true that under war veterans allowance—which has its pitfalls too—that a man is capable of supplementary earning but in many areas in Canada there is absolutely no opportunity for him. There are some areas where he can get casual labour but my experience has been that to say a man is capable of supplementary earnings is very often not correct.

The CHAIRMAN: If it is established that there is no possibility of his earning because the opportunity is limited—

Mr. CRUICKSHANK: In the area.

The CHAIRMAN: War veterans allowance does not demand that he pack up and move somewhere else. There are hundreds and thousands of cases like that who are receiving the benefits but who would not be receiving benefits if they lived somewhere else.

Mr. CRUICKSHANK: On the other hand when you ask to have it brought up to the maximum in many cases the argument is advanced that the man is capable of augmenting the allowance, but that is not true in some localities.

The CHAIRMAN: Some of us here—Mr. Brooks, Mr. Green, Mr. Quelch, and myself—spent long and anxious hours on two or three occasions attempting to define that under the War Veterans Allowance Act and, in general, although we have had some difficulty with it, that has not been a problem with war veterans allowance. In general they are able to relate the man's unemployability to the circumstances in which he lives. I think that is pretty generally accepted.

Mr. CRUICKSHANK: There are a lot of officials in the field who take different views.

The CHAIRMAN: The best legislation in the world is at the mercy of administration. I do not mean to say that the complaints are unfounded, those

by veterans organizations in particular, but I do not think it is fair to say that the interpretation has not worked to the advantage of the veterans.

Mr. JUTRAS: In the British system is there a set age at which a veteran is automatically considered unemployable?

The WITNESS: No, Mr. Chairman.

Mr. QUELCH: I think there was just one point we should have clarified.

Mr. MELVILLE: There is a very interesting extract I made from a ministry of pensions report dealing with this point and with which I might answer Mr. Jutras.

The average age of the 1914 war pensioner is now about 60.

It is the same in Canada—we are 61 or 62.

—and the consequent limited capacity for undertaking new work often turns the scale in favour of the grant of the supplement to a pensioner, who may also be handicapped by the absence of suitable light work in the district in which he lives. Sympathetic consideration is given to every factor which may have a bearing on the elderly pensioner, in ability to obtain or retain work within the capacity of his disabled condition, and the supplement is awarded if the disablement can be said to be the main although not necessarily the sole cause of unemployability.

Mr. BROOKS: Do I understand the minister to say that this will affect only 10 per cent of the pensioners?

Hon. Mr. LAPOINTE: No, I did mention that there were only 10 per cent of all pensioners—

Mr. BROOKS: Unemployable?

Hon. Mr. LAPOINTE: I did say that only 10 per cent of the pensioners were of 80 per cent disability or more.

Mr. BROOKS: I did not get that statement.

Mr. GREEN: What number is it expected will benefit from this change?

The WITNESS: Mr. Chairman, that has been a very difficult thing to estimate. We had to go on the basis of the results of the casualty rehabilitation in World War II—that is the experience which has been gained by our departmental officers in placing in employment the most seriously disabled World War II veterans. That experience has been very good, and there have been less than 10 per cent of those seriously disabled who have been unemployed. That does not take into account the many cases which everybody here knows about, of pensioners who have retired from the attempt to get employment and who do not go around to the employment exchanges or apply to the department to get employment. We cannot make any computation of the number of those pensioners who are out of the employment stream. According to the best of our knowledge there will be 10 per cent plus an indeterminate number of present pensioners who will benefit by this measure. Of course those will be pensioners who are over 45 per cent disability in the case of married men and 35 per cent in the case of single men.

Mr. GREEN: The minister said 60 per cent of all pensioners got 20 per cent or less.

Hon. Mr. LAPOINTE: That is right.

Mr. GREEN: And another 20 per cent—

Hon. Mr. LAPOINTE: —are between 25 and 45.

Mr. GREEN: Yes.

Hon. Mr. LAPOINTE: That leaves 20 per cent.

Mr. GREEN: That makes a total of 80 per cent of the pensioners, leaving 20 per cent of them, which would be the maximum field in which there could be any benefit from this measure.

Hon. Mr. LAPOINTE: The balance, 20 per cent, would be from 50 per cent disabled to 100 per cent disabled.

Mr. GREEN: The measure at the very most cannot help more than 20 per cent of the pensioners—that is if everybody with a pension over 45 per cent gets this supplement. The percentage of the total pensioners in Canada would be 20 per cent.

Hon. Mr. LAPOINTE: Those receiving 45 per cent disability and above if married, and 35 per cent if single.

Mr. GREEN: Of those 20 per cent there will be a good large number who are employed and therefore cannot get any benefit from the plan. Now, have you not worked out at all the approximate percentage of the total number of pensioners in Canada who stand to benefit from this plan?

The WITNESS: I do not think we have worked it out on exactly those terms, Mr. Chairman.

Mr. GREEN: I beg your pardon?

The WITNESS: We have not worked it out exactly on those terms. We have naturally had to make an approximate calculation to arrive at the sum which was placed in the estimate or vote.

Mr. GREEN: Would you say half of the pensioners receiving over 45 per cent pension would get this supplementary allowance?

The CHAIRMAN: You would have to divide that, Mr. Green, because the single men get it at 35 per cent.

Mr. GREEN: Well, the minister gave the figures as including the group 25 to 45—

The CHAIRMAN: If we had the percentage of single and married pensioners I think we would get a better approximation.

Mr. GREEN: Could the deputy not find out for us approximately what percentage of the total pensioners in Canada would benefit by this measure?

The CHAIRMAN: Would likely be benefited?

Mr. CARROLL: Well, I suppose, Mr. Chairman, that a person might be employed today but this time next year he will be unemployable.

Mr. BROOKS: Another thing is the old age pension. When a man becomes 70 I understand that automatically he takes the old age pension instead of the allowance.

The WITNESS: Yes.

Mr. GREEN: As of the present time could there be worked out figures which would show of the approximate number of pensioners the number that would get benefit of this change?

Hon. Mr. LAPOINTE: We could make an estimate.

Mr. GREEN: You could.

Hon. Mr. LAPOINTE: We could endeavour to do so anyway.

Mr. HERRIDGE: Mr. Chairman, I would like to ask General Burns who would be directly responsible for the administration of this change, in view of the fact the situation would be fluctuating almost from month to month particularly in the country.

The WITNESS: It is intended that the district authorities be set up on the same basis by which the war veterans allowance is administered. That is to say in your case, Mr. Herridge, it would be administered from Vancouver.

Mr. HARKNESS: You mean by that there will be a whole new administration set up to determine unemployability?

The WITNESS: There will be a special committee set up but they will be the persons now working in the department. There will be no additional staff engaged.

Hon. Mr. LAPOINTE: The committee will be found amongst the members of the district staff.

Mr. QUELCH: Mr. Chairman, coming back to the question of pensioners in the country who are unemployable due to the fact there is no type of work they can do available in the area—suppose that certain construction work comes in the district, for instance gravelling roads. The pensioner is perhaps given the job of timekeeper. He can do that from sitting in a car and he earns say \$150 a month. The job ends at the end of a month, we will assume. I suppose he would not get the \$40 for that month but would he receive the \$40 a month for the balance of the year or would the \$150 be deducted from the \$450? Just what would be the situation? There are bound to be dozens and dozens of such cases.

The CHAIRMAN: The deputy has said that it is proposed to exempt casual earnings.

Mr. QUELCH: When do earnings become casual? We see that very question under war veterans allowance.

The CHAIRMAN: Can you add anything to what you said before, General Burns?

Mr. QUELCH: I wish you would define casual earnings because I have run into that several times under war veterans allowance.

The CHAIRMAN: You have the support of some veterans organizations, and the War Veterans Allowance Board, who would like a definition of casual earnings, but the effect of a definition is to restrict, and I do not want to get into a discussion such as you and I and others had two years ago on this same question of casual earnings. I think it is fair to suggest that the removal of a ceiling on casual earnings has worked to the great advantage of most recipients of war veterans allowance. You remember we asked for the yardstick which they were using, I think, in our last committee, and it was entered in the records there, that we found out it is possible for a man to earn, in one case I know of, \$700. He made it in a day, and it was ignored; it was the first money he made in years.

Mr. CRUICKSHANK: It was made in a day? He must have been a parliamentary assistant.

The CHAIRMAN: He was 70 years of age, a former real estate man on whom someone called asking him to sell his house. There was some discussion over it, he sold it for cash, and the commission in that case was in the neighbourhood of \$700, and I know in that particular case it was treated as casual earnings; if there had been a limit it could not have been done. Generally if you define, or attempt to define, then you put a ceiling on by that very definition, and I think some of you would agree, when you put a ceiling on it is difficult to get beyond that no matter what the circumstances are. I would suggest to the committee that we proceed with some care in pressuring for a ceiling on casual earnings. The local people have been pretty successful in estimating whether the money received is a windfall or not. If you get \$15 a month year in and year out for looking after a furnace or something of that nature, that is not casual earnings, but if you get one lucky break, like being a guide for a party of wealthy American sportsmen, and make \$200 or \$300 in a month, there is no difficulty in establishing that as casual.

Mr. QUELCH: You say there is no difficulty? A veteran, say, is forty-five per cent incapacitated and he sells a little bit of insurance for a commission,

would you call that casual earnings? I am interested in a case of that nature and that is why I want to know. Would you call those casual earnings?

The CHAIRMAN: If he is regularly employed? I am not going to set myself up as a referee for the war veterans allowance, but generally speaking, and that is a fair question, do you consider as casual earnings commissions made while working for an insurance company, that earnings of that nature should be deemed to be casual?

Mr. QUELCH: This man is not working for any particular company, he is just selling on his own.

The CHAIRMAN: I will be interested to know what the board rules in that case. Will you let me know, please?

Mr. HERRIDGE: I think the experience of most of the recipients of war veterans allowance is that the leaving of casual earnings as a mythical figure has been to their advantage.

The CHAIRMAN: I think so. I know it has not been to the advantage of the treasury.

By Mr. Green:

Q. General Burns, as I read the terms of the vote, there are two main tests, first of all the unemployability, it is essential that a veteran must be unemployable to qualify, and the second appears to be that his unemployability must be caused by a disability which is a major factor contributing to that unemployability. Is that correct?—A. Yes, sir.

Q. I understood you to say in your explanation that this provision would not be a factor in effect because there would be a presumption that any pensioner receiving a forty-five per cent pension or over, if married, thirty-five per cent or over, if single, would be considered as meeting that second requirement. Is that a fact or was your statement correct?—A. Yes, sir. I said it was a general presumption that a man with a higher degree of disability like that, that it would be a major contributing factor. There may be some cases in which a man may be unemployable for reasons which have nothing to do whatever with his pensionable disability.

Q. Would it be automatic that if a married pensioner gets a forty-five per cent pension, then he meets this second requirement, that his disability must be a major factor contributing to his unemployability?

The CHAIRMAN: You mean after we have decided he is unemployable and have learned that he is, in the case of a married man, receiving forty-five per cent pension. Now, your question is, does it follow that because he has a forty-five per cent pension that we must assume that his pensionable disability is a major factor in his unemployability?

Mr. GREEN: I think that should be cleared up, because if that is not the case, if it is not automatic, we have a whole wide field of enquiry opened up as whether or not his unemployability is caused by his pensionable disability. I would like to know what the picture is on the score of this second requisite for qualification.

The WITNESS: Each case would have to be adjudicated upon, first to determine his unemployability and then whether his pensionable disability was a major contributing factor. It is not automatic in that sense. My statement was that high disability generally created a presumption; and that, I may say, is taken from the experience of the British in administering the similar type of legislation which they have.

Mr. GREEN: Yes, but the British are notorious for being tough in handling their veterans legislation; and it is a very important point as to whether or not the pensioner is going to have to meet this second qualification as well as

meet the qualification of unemployability. Now, from what you have just stated, the veteran will have to show that he is unemployable because of his war disability. In other words, he has got to pin it down to his war disability.

The CHAIRMAN: You would accept, would you not, Mr. Green, this fact: That in practice it will be an easy thing to determine, in the great majority of cases, if a man is engaged in physical labour and his disability is for an actual amputation or physical deformity arising from service, the presumption would be so strong it would be indisputable. It would not be what you call a broad field for contention, but there will be a residual group of borderline cases which arises to plague us on every kind of legislation. That will have to be handled by regulations, do you not think?

Mr. GREEN: If this is not to be automatic then it is going to be difficult to determine that question as to whether or not his unemployability is caused by his pensionable disability. It brings you into such a wide field. For example, a man may be pensioned for bronchitis and he may have a limb made useless in an automobile accident or something of that kind. Now, in that case, would the pensioner be eligible for this supplementary allowance or would he not?

The CHAIRMAN: My own reaction is —

Mr. GREEN: I do not want your reaction, Mr. Chairman. I am asking General Burns for his clarification on the matter, because it will be his officials who are going to be the ones who will have to decide this. You are not the one who will have to decide that.

The CHAIRMAN: Do not assume that out of the blue. The deputy minister so far has not transgressed the field of policy and I am sure he never will.

The WITNESS: In the hypothetical case stated by Mr. Green, I think that the man's past employment history would be examined. The district authority which would deal with the case would have on it a doctor and a casualty rehabilitation officer and other officials. They will ask can he be employed, and if he cannot be and he is pensioned for fifty per cent say for bronchitis, that must in general, affect his unemployability. I would think in nearly all cases where the disability is a high one the man would be eligible for the supplement.

By Mr. Green:

Q. Well, if that is the case why not make this automatic so there will be no doubt about it because the way the vote is worded it is certainly anything but automatic. Mind you, that wording will be the test the Auditor General will apply to all these things, and in the wording of that vote the veteran must meet two conditions, he must prove he is unemployable and he must prove his pensionable disability was a major factor in making him unemployable.—A. A contributing factor.

Q. It does not say a contributing factor, it says a major factor contributing to the unemployability.—A. A major factor contributing to the unemployability.

Mr. BROOKS: Would that not be the case where the locality would enter into the picture? For example, they mention the case of a man living in the country who has lost a leg and is looking for work on roads, about the only work available in his environment. Now, he cannot do road work but if he were in some city or town he might certainly get employment as an elevator operator or in some other work of that type, but as long as he remains in the place where he is he cannot get work, and so I ask if his environment is not a factor.

The WITNESS: Consider Mr. Green's case of the man suffering from bronchitis. This might preclude him from certain indoor or industrial employment. He might be employed outdoors. Then he suffered an accident and lost an arm and thereby loses his employment. The bronchitis still keeps him from working indoors and is therefore a major factor contributing to his unemployability.

By Mr. Green:

Q. Would you not have to have two different sets of officials dealing with these two different requirements? The unemployability will, I presume, be dealt with by your war veterans allowance men out in the district but now the other question as to whether the pensionable disability is a major factor contributing to unemployability will be a matter for a doctor, will it not?—A. Yes, the committee will comprise the doctor, some of the officials who deal with war veterans allowance and some of the officials who deal with casualty rehabilitation.

Q. But in each case the veteran will have to meet both of these requirements?—A. Yes.

Q. One other question, Mr. Chairman. Is this \$40 in the case of the married veteran and \$20 in the case of a single veteran to be paid in full upon qualification or will the position be that one must still get half, or is it an automatic payment of the full amount on qualification?—A. All or nothing.

Q. All or nothing.

Mr. PEARKES: Will any option be given to a pensioner as to whether he retains some of the war veterans allowance or will he have to go on this supplementary allowance? Why I ask that question is because there are certain privileges granted to recipients of war veterans allowances. Will similar privileges be granted to recipients of this supplementary allowance?

The CHAIRMAN: Would you like to answer that question, Mr. Burns?

The WITNESS: Mr. Chairman, it is the intention that any veterans who are now in receipt of treatment privileges as a result of receiving war veterans allowances will not be deprived of those privileges if they are changed over to the unemployability supplement. The question of whether treatment privileges are to extend any further, to this other group which will be brought in, is one that I cannot answer at the moment.

Mr. PEARKES: Has that question been discussed with the province of British Columbia, for instance, where the recipient of war veterans allowance has the benefit of the hospital insurance scheme in British Columbia without having to pay the hospital insurance premium, whereas through this supplement, if he were deprived of his war veterans allowance would he have to pay these hospital insurance premiums?

The CHAIRMAN: For the moment, Mr. Pearkes, all that is clear is this, that in the case of the man who was receiving a substantial pension in addition to a few dollars of war veterans allowance and who loses that few dollars of war veterans allowance in order to get the much larger supplement, though he goes on the supplement, he will carry his entitlement to hospitalization with him even though he surrenders the small war veterans allowance. The other question you raised is under discussion still.

Mr. PEARKES: How can he carry the privilege of hospitalization under the provincial scheme?

The CHAIRMAN: At the present moment the recipient of war veterans allowance is entitled to hospitalization for himself. I thought your question covered the case of the chap who was dropping \$4.63 of war veterans allowance if he was also dropping his right to hospitalization anywhere in Canada, so I am saying that perhaps he will not lose that, too. In connection with these interlocking benefits they are still being worked out, but it is clear if he had entitlement to hospitalization when he drops the war veterans allowance and takes this, he does not lose it. Is that clear, Mr. Pearkes?

Mr. PEARKES: Not quite, because the recipient of the war veterans allowance does not have to pay hospital premiums in British Columbia. If he drops his small amount of war veterans allowance he might still get hospitalization

under the Department of Veterans Affairs, but he would then, unless arrangements have been made to the contrary, have to pay provincial hospital premiums?

The CHAIRMAN: I do not think even in the province of British Columbia they would insist on collecting from a man whom we agreed to provide for. I agree it will have to be negotiated, but that is the intention here. Mr. Mott, did you have a question?

Mr. BROOKS: Following the principle in Great Britain, in Great Britain the soldier will not only get the monetary benefits but he also gets hospitalization and everything, including his teeth and eye glasses, I believe.

Hon. Mr. LAPOINTE: Only half from now on.

Mr. MOTT: I did not quite understand the question asked by Mr. Pearkes, as to this hospitalization in British Columbia. Did you say that a war veteran does not have to pay hospitalization in British Columbia?

Mr. PEARKES: The recipient of war veterans allowance does not have to pay hospital premiums under the provincial hospital scheme for himself.

Mr. MOTT: He does for his family.

Mr. PEARKES: Oh, yes, for his family.

Mr. BLAIR: Mr. Chairman, who is going to be the one to decide on permanent unemployability? I want to be very sure about that.

The WITNESS: It is proposed, Mr. Chairman, that there shall be set up a district committee in each of the districts of the Department of Veterans Affairs, and it is the district committees themselves who will have this responsibility. The committee will consist of certain officials who are now on the staff of the districts, some of whom may have duties in connection with the local administration of war veterans allowance; the committee will have on it a representative of the treatment services and a representative of casualty rehabilitation, among others. It is proposed to provide that if any veteran is not satisfied with the way his case has been dealt with by that district authority, that he shall have the right to appeal to a head office committee for reconsideration of his case.

Mr. BLAIR: The reason I am interested in that is because the proving of unemployability is one of the most difficult things you have to do, and I can assure you I am in complete sympathy with this bill as far as it goes, but I do point out, further to the question of Mr. Green, that unemployability has proven to be a difficult thing to administer, that is, to give a fair judgment on, and the second part, again going back to Mr. Green's questioning, that to tie it up with war disability makes it something very difficult to do. They are not all going to be border line cases because you have cases coming in where age is a factor adding to disability and some of us who have had experience on war veterans allowance in trying to prove a man's physical condition have found it was a hard thing to do, and I have not been in complete agreement with many decisions. I suggest we bring in this committee suggestions in a form that will help the committee administering it and try to put it in a form whereby we can avoid these difficulties and there will not be so much disagreement. I assure this committee that the question of proving unemployability in connection with the Mothers' Allowance Act in Ontario has certainly proven a bone of contention and I would like to see this legislation written in the way to avoid these difficulties. Certainly I would not like as a doctor on that board, realizing a man's age, to give an outright opinion because the pensioner having reached that age might go out and start some kind of work and pop over the next day. You just have no instrument whereby you can absolutely assess a man's physical condition.

Mr. CROLL: Are we not likely to get the same reaction from other doctors that you will take, Mr. Blair?

Mr. BLAIR: Doctors have been notorious for differing opinions.

Mr. CROLL: Not with respect to veterans. I find that outside doctors are always in favour of veterans getting pensions.

Mr. BLAIR: That was quite all right, Mr. Croll, but there was a little of the milk of human kindness in doctors who have had service. You are getting a new crop though, coming up, who do not just have a feeling of sympathy and they are a little bit hard in assessing things of that nature. That is what I am worrying about.

The CHAIRMAN: May I say a word? You apparently thought it may be that in connection with this there would be legislation in introducing it in this fashion, it will be administered by regulation and it is for that reason that I am sure departmental officers will be very grateful to any member of the committee who points out to them the pitfalls they will have to guard against in framing these regulations. If we get the regulations we will be very happy about that because regulations cover it. We cannot draft here definitions but we can certainly put on the record the benefit of the experience of this committee for the guidance of those who have to draft the regulations.

Mr. BLAIR: That is my idea, Mr. Chairman. This committee has it within its power to help out the committee administering those regulations. We can help that committee. I am sure everyone is in sympathy with this bill, but we should be very careful in moulding this Act, without changing its form, to make it easier to administer but I do again point out that it is not as easy as you think to define unemployability. Personally, I have been in a few rows in my life on that question.

The CHAIRMAN: I can assure you that I think the officials do not think it will be easy.

Mr. CARTER: Further to what Mr. Blair said and arising out of what has been established by Mr. Green and Mr. Cruickshank. In the case of unemployability there are two factors, the man's physical condition and his environment in which he lives. I understood that this supplement says only if his disability is the major contributing factor. Now, in the case where a man's environment is the main contributing factor he is in the same position in that he is unemployable, and I would like to know what can be done to take care of a fellow like that.

The WITNESS: Mr. Chairman, I think that the example I believe I quoted to Mr. Brooks, would answer that. That is to say, a man with a high amputation or the like, who was living in a district where there was not much employment except perhaps woods work, would not be able to be employed there, whereas if he was in Ottawa he could get a job say, running an elevator, but you could certainly say that his amputation was a major contributing factor in the environment in which he is, and therefore he would get the supplement. Is that what you had in mind, Mr. Carter?

Mr. GREEN: Why then do you have the words "major factor contributing"? Would it not be better to take out the word "major"? It seems to me then you would have a bill more in line with your submission.

The WITNESS: Whether you propose to define a contributing factor or a major contributing factor you get into those border line cases. As the chairman has said, this is a new departure and we have to start off from some previous experience in this matter. We are following in this particular phrasing what I believe is the practice of the British in administering such a measure. However, I think I do not need to say that it is the intention, if this becomes law,

to administer it in a generous manner. You can, of course, think of certain reasons why the exception is required. Certain people by reason of particular habits may not be employable for reasons having nothing to do with their pension disability.

Mr. CARTER: From what Mr. Burns said, if you take a very lenient view you could overcome the unemployable factor by perhaps placing extra importance on the disability?

The CHAIRMAN: May I interject, Mr. Carter? I assure you General Burns did not say in his reply, or imply what you say "by taking a very lenient view". He took the position that in the case he gave it was an obvious reaction, not a generous one.

Mr. CARTER: I would like to know what would happen to a case like this? A man is totally unemployable because he has contracted tuberculosis, and tuberculosis cannot be traced whatever to any war service at all. What happens in a case like that? He may still be a forty-five per cent pensioner because of war wounds, and the machinery takes care of that.

The WITNESS: Could you elaborate your illustration and suggest for what he would be pensioned for in the first place?

Mr. CARTER: Some war wounds, but having been discharged he contracted tuberculosis and became permanently unemployable.

Now, is there anything in the War Veterans Allowance Act or anything in the Veterans Pension Act to take care of people like that? He is a 45 per cent pensioner but he is permanently unemployable because of tuberculosis which cannot be traced whatever to war service.

The WITNESS: It would depend, very largely, on what his pensionable disability as. I think if it was something which would enter into his unemployability he would certainly be eligible for the allowance.

Mr. HERRIDGE: I would like to ask General Burns another question. I am thinking, personally, of several fairly high disability pensions in my constituency. The recipients throughout the years have had small incomes. I am thinking of one man who is a particularly good saw filer. He is able to sit down at a bench and file a cross-cut saw and there are fewer and fewer of those people all the time. He gets on an average \$20 a month for doing the saws for a small lumbering concern.

The second man is one who agrees just to shovel coal into the school furnace in another place and he gets \$15 a month for that. The third is the case of a man who gets \$15 or \$18 a month from the Department of Public Works for reading the water gauge to show the river level. He just goes down once a day and reads the meter. Would those types of income, being earned steadily by the high percentage pensioners disqualify them?

The WITNESS: I would say in each case that you mention it would be considered as casual income or casual earnings.

Mr. McMILLAN: If we had a pensioner with bronchitis drawing a 35 or 40 per cent pension and if the bronchitis became progressively worse because of age would that be considered later as a major factor?

The WITNESS: Yes, he would get an increase in the pension anyway.

The CHAIRMAN: That is a simple one.

Mr. MELVILLE: If his bronchitis, which is the condition for which the pension is paid, increases in extent then his pension would be increased accordingly. He is subject to re-examination from time to time.

The CHAIRMAN: If it increased to where he was unemployable he would be eligible for this supplement.

Mr. MELVILLE: Yes.

Mr. GREEN: Is there any account taken of income? Suppose a man is getting \$4,000 or \$5,000 a year income yet is unemployable because of a disability which was a major factor contributing to his unemployability? As I take it he would be eligible for this supplement?

The WITNESS: Unless he is on a retiring allowance from the government or the C.P.R. or some body like that.

The CHAIRMAN: Income from earnings on bonds or an inheritance—

Mr. GREEN: A man might get a legacy or something of that kind?

The WITNESS: It is not proposed to take anything like that into account.

Mr. GILLIS: Mr. Chairman, I would like to say this. I do not think you can write a hard and fast rigid regulation on the matter of unemployability. That is going to differ from section to section of the country.

I like this set-up fine provided we do not put some administrative monkey-wrench in there—like this 'major factor'—that the disability must be a major factor. How are you going to determine that?

For example, in a section of the country where you have nothing but heavy industry a man with maybe a 10 per cent or 15 per cent disability as far as medical services are concerned has, in that particular section, a 100 per cent disability for purposes of employment. Unless he gets the war veterans allowance—

Mr. McMILLAN: There are many sections where employment is not available.

Mr. GILLIS: A disability, while only 15 per cent from a medical standpoint is a major factor in keeping him out of employment. You can go through sections and sections of this country. Take the coal industry, where a man is on his feet and has to be lifting and competing with an assembly line. The disability may be only 10 per cent or 15 per cent but you will find if a man is to be employed by a steel mill or a coal mine that he must go to a doctor. If the doctor looks him over and finds a 10 per cent or 15 per cent disability then he is not wanted in that industry. The man must have a certificate from the doctor and so he is out. That man is 100 per cent unemployable. In another section of the country that man might be employed.

I think where this is going to be of greatest benefit is not for the fellow over 45 per cent as suggested by Mr. Green, because I think you will find that most people with high pensions have been taken care of. It is the fellow with the smaller pensions that came out of the service, having had no particular employment before, and no qualifications for anything except manual labour. The great majority of these people suffer, in my opinion, on the matter of lack of employment, because of a smaller disability and living in the heavy industry sections. If this is made too rigid and if there is not enough administrative latitude left the commission and to the common sense of the local people administering the thing, then, in my opinion, it is going to be a headache rather than a benefit. I suggest that when you are writing the regulations that you do not take the medical standard of disability as a guide, but that the section in which the man is living and the possibility of employment with a slight disability should be the determining factor.

Unless this is carefully written and a lot of administrative latitude left the commission, in my opinion, it is going to be a headache rather than a benefit. The benefits are good. I liked the scheme when I heard the officials explain it because it has solved a problem I have raised in a good many cases—that is the question of unemployment among veterans with low pensions because of a slight disability and living in sections where employment is not possible. I think that is what Mr. Carter was trying to bring out.

The regulation, in my opinion, should be very carefully written and a lot of the administration of it left in the hands of the local people who really understand local conditions.

The CHAIRMAN: Well, gentlemen, it is a quarter to one and unless there are other questions I would suggest that you might desire to take these charts, digest them, and think over what you have heard today before engaging in any further discussion.

It is our hope that some of the legislation which is in the resolution stage in the House will be sufficiently advanced to be placed before us for consideration next week.

The Canadian Legion has indicated that a week from this Thursday they intend appearing before the committee and making their representations—that is on the 17th.

There is one other matter and it is in connection with the schedule of our sittings. I find that several other committees are meeting on Tuesdays and Thursdays, so what would your reaction be to our attempting to have this committee sit on Mondays and Thursdays?

Agreed.

Having decided that point, what is the pleasure of the committee with respect to this week? I think it is unlikely, in fact, that there will be anything before us by Thursday. Would the committee wish to sit Thursday and continue our discussion and examination of this matter?

Mr. CROLL: I think it would be well if we had a look at the record before we come back here. The statements made were interesting but it is very difficult to appreciate them yet.

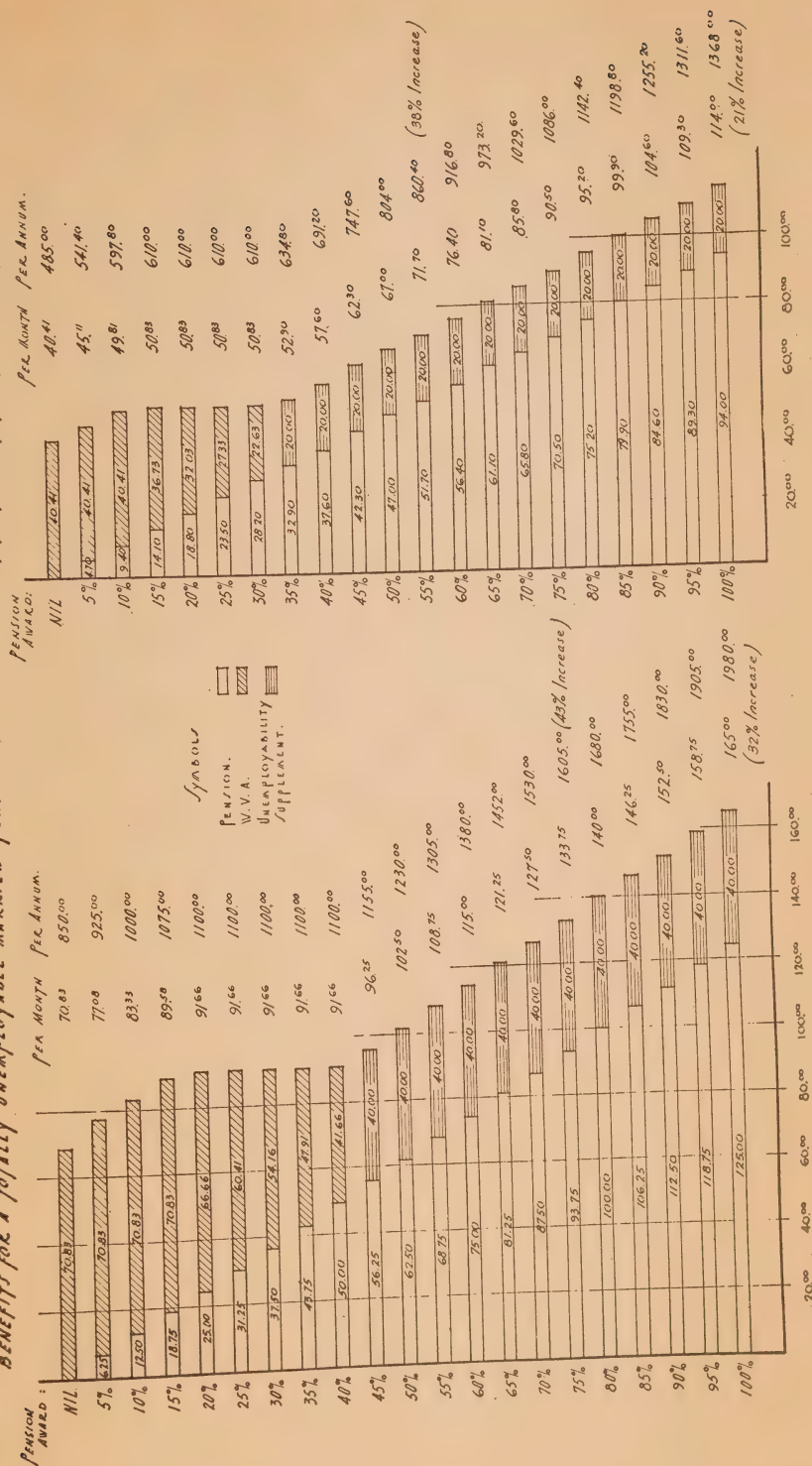
The CHAIRMAN: If the secretary is able to work magic and get the record into our hands in time for Thursday I will call the meeting for that day, otherwise it will be called for next Monday.

One other thing—I am told that tentatively the National Council would like to come on the 21st, which is the following Monday. Subject to the approval of the committee I shall issue an invitation for them to come then.

The committee adjourned to meet again at the call of the chair.

DIAGRAM ILLUSTRATING APPLICATION OF UNEMPLOYABILITY SUPPLEMENT

BENEFITS FOR A TOTALLY UNEMPLOYABLE SINGLE PENSIONER



957
SESSION 1951

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HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

CHAIRMAN—MR. L. A. MUTCH

MINUTES OF PROCEEDINGS AND EVIDENCE

reports
No. 3

MONDAY, MAY 14, 1951

WITNESSES:

- Mr. E. L. M. Burns, Deputy Minister, Department of Veterans Affairs.
Mr. J. L. Melville, Chairman, Canadian Pension Commission.
Mr. R. W. K. Abraham, Director of Casualty Rehabilitation, Department of Veterans Affairs.

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1951

ORDER OF REFERENCE

FRIDAY, May 11, 1951.

Ordered—That the name of Mr. Hosking be substituted for that of Mr. Carroll on the said committee.

Attest.

LEON J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

MONDAY, May 14, 1951.

The Special Committee on Veterans Affairs met at 11 o'clock a.m., the Chairman, Mr. L. A. Mutch, presiding.

Members present: Messrs. Balcom, Blair, Carter, Corry, Croll, Cruickshank, George, Gillis, Goode, Green, Hosking, Herridge, Jutras, Lennard, McMillan, McWilliam, Mott, Mutch, Quelch, Thomas, Weaver, White (*Hastings-Peterborough*).

In attendance: Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs; Mr. J. L. Melville, Chairman, Canadian Pension Commission, Mr. R. W. K. Abraham, Director of Casualty Rehabilitation, Department of Veterans Affairs.

The Chairman reported that arrangements to hear the representatives of the Canadian Legion Thursday, May 17, had been confirmed; but that it would be impossible for Col. Baker of the National Council of Veteran Associations in Canada to be present on May 21.

On motion of Mr. Goode, it was agreed that Col. Baker and his delegation be heard on the afternoon of Wednesday, May 23.

The Committee resumed consideration of Item No. 650 of the Supplementary Estimates for the fiscal year ending March 31, 1952.

Examination of Messrs. Burns and Melville was continued.

Mr. Croll moved that, in the opinion of the Committee, the word *major*, between the words *is* and *factor* on the fourth line of Item No. 650, ought to be deleted.

After discussion, Mr. Cruickshank moved, that consideration of Mr. Croll's motion be deferred until the briefs of the national veteran organizations have been presented.

And the question having been put on Mr. Cruickshank's motion, it was agreed to.

Mr. Abraham was called and presented a report on the work of his directorate.

Mr. Abraham tabled the following documents which are printed as appendices to this day's minutes of proceedings and evidence:

Appendix A: Table of grouped distribution of casualty registrants of The Veterans' Welfare Services Branch, Department of Veterans Affairs, as of September 30, 1950.

Appendix B: Comparison of current employment condition of closed casualty welfare cases with pre-enlistment condition—according to Pension Group and Geographical Area.

Mr. Abraham retired.

At 12.35 o'clock p.m., the Committee adjourned until Thursday, May 17, at 11 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

MAY 14, 1951.

The Special Committee on Veterans Affairs met this day at 11.00 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Well, gentlemen, we have a quorum. There are just one or two matters to be referred to you. I think first of all we agreed at our last session to meet on Monday mornings and on Thursday mornings.

The secretary tells me that that will be possible. I intimated last meeting that the Legion would make their presentation on Thursday next, and that is planned for. In addition, we had a tentative date for the National Council for the morning of the 21st. But it has been brought to my attention that Colonel Baker, the president of the organization who is known, I think, to all of you, had commitments which would make it impossible for him to attend personally on that day. So I have agreed, subject to confirmation by you, gentlemen, that we would hear their representation, for this one week, either on Tuesday morning, the 22nd, or on Wednesday afternoon, the 23rd, whichever was the wish of the committee, generally.

We have the power to sit, I believe, while the House is sitting; and for this occasion, if it would suit the convenience of the committee, or if it would not make any difference to them, perhaps we might hear them on Wednesday afternoon.

Colonel Baker will be at the coast on the 28th. I do not think he has missed a committee since World War I. So I thought we might like to have him. What is your feeling on the matter?

Mr. CROLL: Many of us of this committee are also on the public accounts committee. We would like to attend as many of those meetings as we can. I think that Wednesday afternoon would be more suitable than Tuesday morning.

Mr. CRUICKSHANK: They fired me off the Public Accounts committee so that I would be able to attend here.

Mr. CROLL: When?

Mr. CRUICKSHANK: Last Friday, I think it was. That was the reason given but I believe it was because I questioned some cost plus contracts.

Mr. CROLL: Nobody fired you. I suggest Wednesday would be the proper day.

Mr. GREEN: The other side of the story is that it may be necessary for some of us to be in the House, particularly members of the opposition. So I think that Tuesday morning would be better than to sit while the House is sitting, at the commencement of the work of the committee.

The CHAIRMAN: I do not anticipate at that meeting we shall have an opportunity to do more than to hear the brief. That is the usual procedure in those cases. However, I agreed with the consensus of the committee generally that we should not sit on Tuesdays, and for that reason I preferred to leave it to the committee as a whole rather than make a decision myself, or call the steering committee. So I think the fair thing to do would be for somebody to make a motion one way or the other and we can settle it.

Mr. GOODE: Which day does Colonel Baker prefer?

The CHAIRMAN: It does not matter to him or his organization. They will come either of those times, at the convenience of the committee; but they cannot come on Monday.

Mr. GOODE: He can come on Wednesday?

The CHAIRMAN: Yes, on Wednesday afternoon. Wednesday mornings are usually out because some party always caucuses.

Mr. GOODE: Whom does he represent?

The CHAIRMAN: He is chairman of the National Council of Veteran Associations.

Mr. GOODE: Then I would move, Mr. Chairman, that we meet on Wednesday afternoon at whatever time you prefer.

The CHAIRMAN: The usual time is 4.00 o'clock.

Mr. GOODE: Then I move that we hear this brief on next Wednesday, May 23, at 4.00 o'clock.

The CHAIRMAN: Is there any seconder?

Mr. CROLL: I think that indulgence is not too much to ask on our part to make it possible for some of us to be here. Colonel Baker is always an interesting man and I think we should be present to hear him.

The CHAIRMAN: Frankly, I was trying to suit the convenience of the committee. I know that Tuesday is not convenient for a number of us, but neither is Wednesday morning. You cannot ask people to "duck" their caucuses. That is where they get their inspiration.

Mr. GOODE: Surely the opposition members should be in the House. But if it is only the presentation of a brief, I do not think it is too important. They could read it in the minutes of our proceedings the next day.

Mr. CRUICKSHANK: Would they miss anything if they were not there?

The CHAIRMAN: All those in favour of meeting on Wednesday afternoon at 4.00 o'clock will signify in the usual way. Those contrary, if any? I declare the motion carried.

Mr. LENNARD: I do not know why we have to sit on Monday morning. I am always here, but it must be inconvenient to some members who probably have to skip one day in the week-end.

The CHAIRMAN: We canvassed the situation pretty thoroughly at our last meeting.

Mr. LENNARD: Some'times afterthought is better than forethought.

Mr. CROLL: You must go to the Senate to use your afterthought.

The CHAIRMAN: During the last Veterans Affairs committee we tried to sit on Tuesdays and Thursdays but later we found it to be hopeless, so we switched to Mondays and Fridays. Perhaps we could let it run this way for a little while. We can always change it. After that Wednesday meeting we will revert to the regular suggested hours.

When we adjourned last week we had heard the presentation of the minister, the deputy minister, and the chairman of the Pension Commission. It was suggested that we might adjourn until we had an opportunity to get the minutes of that meeting and so have something before us of a concrete nature which would permit general discussion and suggestions.

Part 2 of our Minutes of Proceedings and Evidence came out last Thursday, and I understand it is in the hands of the members. We shall be glad to engage in any discussion you wish. There is some additional information which was mentioned at our last meeting and which we are prepared to put on the record at the suggestion of members.

Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs, called.

Mr. GOODE: Are we to be allowed to ask questions at the moment, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. GOODE: I have two questions which I would like the deputy minister to answer. One of them is a very difficult question and it may not be too fair.

This is a British Columbia problem and it concerns the payment under hospitalization for the families of these unemployable pensioners. The question of hospitalization in this matter is a very difficult one.

As you know, hospitalization is allowed to the pensioner. But for his wife and children, if he happens to have any, it comes out of his pension; hospitalization has to come out of the \$40 odd.

All of us who come from British Columbia have had considerable correspondence regarding this matter. I know it is a provincial matter and perhaps it would not be fair to the other provinces to ask this question, but surely with the difficulty that the pensioners are having, some compromise could be arrived at between your department and the province of British Columbia in regard to the payment. That may not be a fair question to ask you, and if it is not, you do not have to answer it.

Another thing is the major factor contributing to unemployability. I noticed Mr. Green's question in Part 2 of the Minutes of Proceedings and Evidence, and I think it was not properly answered. I read the proceedings three times and I still do not think you answered it.

There is a little matter being left to the top civil service to decide. I think it should be fairly stated at this committee meeting what this major factor contributing to unemployability is, and on what basis it is going to be put.

Mr. Green may be satisfied with the answer to his question, but I am not. I do not think the question has been answered. If you can answer it, I would like you to do so.

The CHAIRMAN: With respect to your first question, Mr. Goode, that is a matter of policy and not one of administration. The deputy minister could perhaps indicate the extent of negotiations which have taken place with respect to it, but I thought as you spoke that you were confusing pensioners with recipients of the war veterans allowance.

Mr. GOODE: No, I am not.

The CHAIRMAN: Because the pensioners do not have hospitalization.

Mr. GOODE: Most of these fellows would, in my riding anyway, because I send these minutes back there. I have received six answers from them, and each one of those six was subject to hospitalization.

The CHAIRMAN: On pension grounds or war veterans allowance?

Mr. GOODE: On pension grounds.

The CHAIRMAN: We had protracted negotiations some time ago with respect to war veterans allowance because the recipient had hospitalization. And in some instances it was brought to our attention that the war veterans allowance recipient had had no other income and that it was a very serious situation.

Mr. GOODE: I am quite sure that the other members from British Columbia will agree that there is difficulty.

Mr. CRUICKSHANK: With whom did you have this correspondence?

The WITNESS: There were negotiations with the officials of the hospitalization insurance plan, the provincial authorities.

Mr. CRUICKSHANK: What was their stand?

The WITNESS: Their stand was, I think, that in general they felt payment was dependent largely on the income of the person concerned. I believe they

have certain exemptions, levels of income below which the recipients in British Columbia are not expected to pay.

Mr. CRUICKSHANK: If you had correspondence concerning a definite allowance, what does the provincial government say?

The WITNESS: We have an arrangement that the people who are under war veterans allowance are not obliged to pay.

Mr. CRUICKSHANK: And what about their dependents?

The WITNESS: I cannot say. I would prefer to get fuller information on this point.

Mr. CRUICKSHANK: And I would like to know what the provincial government says.

The WITNESS: As far as pensioners are concerned, as I recall the negotiations, first of all there was some question of exemption; but as we were only responsible for treating pensioners for their pensionable disability, the provincial authorities concluded that they could not exempt them from hospital plan payments because we did not have authority to treat them for conditions other than those for which they are pensioned.

Mr. GREEN: The pensioner must pay for his hospitalization?

The WITNESS: If he has sufficient income.

Mr. HERRIDGE: I think the attitude of British Columbia is stupid. They won't come to an agreement with the Department of Veterans Affairs and yet they do not require them to pay if they cannot afford to pay. So they might as well exempt them and be done with it.

The CHAIRMAN: I can understand the interest of British Columbia members in this, but I suggest with respect that we cannot sit in judgment on the government of British Columbia. We would be happy to make known to the committee the information we have which shows the departmental effort to come to some agreement. But we should not sit in judgment on the government of British Columbia.

Mr. CRUICKSHANK: I think we are entitled to know if the provincial government has definitely refused the Department of Veterans Affairs, because that is not the story which they tell in the province of British Columbia.

The CHAIRMAN: We would be very glad to make known to you the result of departmental negotiations. But I suggest that this is not the place to sit in judgment on them.

Mr. GOODE: It can be said that the department has tried, can it not?

The CHAIRMAN: We are aware of the situation and we have negotiated with respect to the problem with the government with respect to war veterans allowance and pensions. That is correct?

The WITNESS: Yes, sir.

Mr. QUELCH: There is one point I would like to have qualified. This supplement is being brought forward as an estimate?

The CHAIRMAN: That is right.

Mr. QUELCH: Is it to be regarded as a temporary measure?

The CHAIRMAN: I think it would be. Perhaps Mr. Melville would like to answer your question.

Mr. CROLL: That would be a matter of policy, would it not?

The CHAIRMAN: Very well, I will answer it in that case. There are reasons for doing it and this particular method, as far as we are concerned, is experimental. There are two or three ways it could have been done: first by amending the Pension Act, second by amending the War Veterans Allowance Act, or third, it could be done under the Department of Veterans Affairs Act. In this way I

think the committee will grasp the idea that the Lord gives and never takes away, and governments are very much the same. So until we discover the nature and the permanency of the problem, let us not take it away before we get it.

Mr. CRUICKSHANK: It is being done to meet the high cost of living?

The CHAIRMAN: Not so much because of the high cost of living as the fact that the problem is increasing with the advancing years of these pensioners. Anyway, it is partly related to the high cost of living and partly related to their exigencies. It has been done in England, Australia and New Zealand; and our observations are that it is meeting a definite need there and we think we can make it work here.

Mr. GREEN: When the supplement for war veterans allowance was introduced, in some way we got the impression that it was only a test and that in a short time there would be legislation. But as you know, there is no legislation as yet. Therefore, the whole supplement is dependent on a vote which may or may not be brought in each year. It looks as though the intention is to make that method permanent. Now, presumably, this supplementary pension allowance is in the same category, is it not?

The CHAIRMAN: I cannot commit anybody to the unforeseeable future but first of all, dealing with the War Veterans Allowance Act, it would be my hope to do the necessary revamping to the War Veterans Allowance Act to fit with what now seems to be an assured program of old age security for all people in this country. At the time this Act is redrafted we can bring those things together. That would be my hope and, I think, the expectation of most people. We have not recently done anything to the War Veterans Allowance Act. I would anticipate that all three things would result in a new Act.

It would be my hope that these matters could be all tidied up at one time—the general improvement of the old age security problem and the necessary amendments to the legislation under the War Veterans Allowance Act.

With respect to this, quite frankly it is for us a radical departure from what has been our pension legislation. It has been carefully analyzed, and we believe that it will meet the situation. If it does meet it then I do not question but that it will be a matter of policy to incorporate it into permanent legislation.

The WITNESS: There was a question which Mr. Goode asked and which has not been answered.

Mr. Goode asked how we were to define "a major factor in unemployability". Mr. Chairman, quite frankly, that is something to which you cannot give a mathematical, or extremely precise answer and I would, if I may, give you the gist of our thinking about this problem up to the present. For these purposes the percentage of pension would not be entirely decisive but we would think a condition could be said to be a "major factor" if, after considering the other contributing factors such as age, his adaptability, his previous work record, and the availability of suitable work in the locality it appeared that the pensionable condition has operated so as to prevent his taking some employment that he otherwise might have taken.

You have to examine the record of work during previous years and the results of efforts made by the National Employment Service and the Casualty Welfare to find him suitable employment. We hope that in practice this will work out satisfactorily.

The words "major contributing factors" were put in after some considerable thought. It would be perhaps difficult to imagine any case where a man was pensioned where his disability might not have some effect, and it was thought that these qualifying words would have to be put in.

Mr. GOODE: Mr. Cruickshank, in his question, tried to develop this position. If you have a man in one place and he is unemployable there it could be that you could move him somewhere else where he is employable. That was the development of Mr. Cruickshank's question and I want to satisfy myself on this point. Will the department say a man is unemployable in one locality and yet not move him for the purpose of this amendment to another locality so he can go to work? I suggest that is what you said but I want to get it clear on the transcript. You won't proceed to move a man from Smithville to Jonesville if he is not employable in Smithville? You would feel he was not employable in the general sense.

The WITNESS: Yes, sir, that is the intention of the department. We examine the opportunities for employment in the locality in which he lives. Of course, if he wants to go to Jonesville to get employment we will help him, but we will not oblige him to go outside his home locality.

Mr. GOODE: You mentioned this and I think I got it correctly. You would send him to the employment service but the employment service would not have the power to ship him from Vancouver to Chilliwack if they found he was unemployable in Vancouver?

The WITNESS: No—

Mr. CRUICKSHANK: They would not have the authority.

Mr. GOODE: No.

By Mr. Croll:

Q. Just let me follow that question for a moment. I am dealing with the words "major contributing factor." You said there were two tests: The first test was unemployability; and the second was the disability which is a major factor contributing to his unemployment. That is true? That is correct?—A. Yes, sir.

Q. Now you have heard members of the committee take pretty serious objection to those words. You have gathered that the committee is quite unhappy about the inclusion of those words in the vote, do you not, General?—A. My understanding is they are concerned with the interpretation which will be given.

Q. Exactly. It follows, I feel, as I think we all do, that the word "major" will build up for us difficulties in the future. It is likely to, is it not?

The CHAIRMAN: You mean administrative difficulties?

The WITNESS: I do not foresee it. So long as you say it is to be a "contributing factor", the inclusion of the word "major" is not necessarily going to make it more difficult.

By Mr. Croll:

Q. Well, someone will have to interpret the use of the word "major"?—A. Yes, and as far as we can determine at present the interpretation will be on the lines of my answer to Mr. Goode.

Q. Well, without the word "major" there, would not your task be much easier?—A. I do not think it would, Mr. Chairman. I think that the definition that I have given, and the proposals we have at the present, would be practical to administer with this proviso—that this being something that we are trying for the first time in this country, we shall have to learn by experience to a certain extent.

Q. And the "major" is in the British legislation?—A. Yes, sir.

Q. And in the American legislation?—A. The Americans have not got this—

Q. But the word "major" is used— —A. It is used in the British legislation.

Q. Is it used in Australia?—A. I do not know.

Q. You do not know?—A. No.

Q. If the committee came to the conclusion that they were in the mood to recommend that the word "major" be deleted, would that cause you any administrative difficulties?—A. We would have to redefine what it was intended should be a "contributing factor" in that case. Frankly, I do not think there would be any substantial difference in the definition of "contributing factor" to what I have given.

Q. "Contributing" has a different meaning from the word "major" has it not?—A. Yes, "major" modifies "contributing".

Q. So that without that modification would not your task be easier?—A. I should not think so.

Mr. HERRIDGE: What would happen to a 60 per cent pensioner—

The CHAIRMAN: Well, one at a time.

Mr. CROLL: Just let me finish, Mr. Herridge.

The WITNESS: Going back a minute to a previous question, Mr. Melville has drawn to my attention the fact that in the New Zealand legislation a pension may be paid with, of course, a means test, as is the case in Australia, to disabled pensioners whose disability is such that their ability to undertake employment is seriously impaired.

I would suggest that this definition of what is a "major contributing factor" or a "contributing factor" cannot be very specific and will have to rest on the good judgment of the people who are deciding—that is, the people who are in close contact with the pensioners themselves.

Mr. CRUICKSHANK: Is not that where the difficulty lies, though?

Mr. CROLL: My point is that many may be excluded because your men in the field must pay attention to the word "major".

Mr. CRUICKSHANK: That is right.

By Mr. Croll:

Q. And what we are trying to do here is to put as few obstacles as possible in the way of broad interpretation.—A. Well, as I said in my earlier evidence, it could be assumed in the great majority of cases, that if a person has a pension over 35 per cent or 45 per cent, that will be a factor in his unemployability, and a major factor also.

Q. It may be a factor—A. You can imagine cases—for example the man who is unemployable because of dishonesty or intemperance, or other things like that. It is in order to exclude such things that the term is used.

Q. I see what you are saying now. You say that may be "contributing" where it is not "major", but on the other hand it may be a "major" factor.

The CHAIRMAN: The matter of personality might enter into it.

Mr. MELVILLE: May I add a word that I hope will be helpful. Consider the provision under the Pension Act—that a widow is entitled to a pension when, at the time of death of the veteran, pension was in payment at the rate of 50 per cent or more. The general basis on which that provision was made in the Pension Act was that if he was 50 per cent or more disabled on account of a condition incurred in the service, then that high degree of disablement was a material factor in the cause of death. We have the basis—

The CHAIRMAN: You use the term "material factor".

Mr. GREEN: It is not a helpful comparison because in that case if a veteran is getting a 50 per cent pension and dies by being hit with a street car his widow automatically gets the pension. No discretion enters the picture there; it is automatic. Here there is discretion. This is not to be automatic, as I understand it. The plan is not that if a veteran is a 45 per cent pensioner he will automatically get the \$40 supplement but it is a matter of discretion and

the discretion is to be based on these words—that the disability is a major factor contributing to his unemployability. I suggest to you there is no comparison whatever between the two types of case.

The CHAIRMAN: May I interject, Mr. Green? We were discussing what the effect of this phrase might be and Mr. Melville's suggestion was that there is a statutory presumption in the Pension Act which might be a helpful guide to those people who are assessing disabilities. I think he was pointing out, for instance, that it would be rather ridiculous to assume that a 50 per cent pensioner might be presumed to have died as a result of his disability if he was shot in an accident, and then at the same time to argue in this other legislation that a 50 per cent disability was not a major contributing factor. It is just a helpful precedent in our own legislation.

Mr. GREEN: The legislation covering the widow of a pensioner receiving 50 per cent or more is not written in the shape of a presumption. As I understand it it is simply an automatic provision, that if the pensioner, the husband, got 50 per cent the widow would benefit.

The CHAIRMAN: Yes.

Mr. GREEN: And it is not a presumption, it is automatic, the widow gets the pension if the husband got 50 per cent or more?

The CHAIRMAN: It is based on presumption.

Mr. GREEN: It may be based on presumption but the presumption is not written into the law.

The CHAIRMAN: That is what I mean.

Mr. GREEN: And here we are trying to write into law a provision that the disability must be a major factor contributing to unemployability. That is actually written into the law.

The CHAIRMAN: I think I agree with you fully. I thought you were suggesting to Brigadier Melville that there was some comparison. I do not think he was suggesting it as a comparison. He was simply say that there is basis in legislation for the presumption on the part of these people in interpreting that it is a major factor.

Mr. GREEN: I suggest that General Burns has caused this confusion himself; certainly he did in my mind when he said the other day that there would be the general presumption that the disability is a major factor. Well, now, today he has said what, to my mind at least, really amounts to the opposite when he says that in the case of every pensioner the disability would be a contributing factor, and if that were the only significance of the whole test then every pensioner would automatically be entitled to get this supplementary allowance, and he does not want that to be the situation. Now, is it not a fact, actually, that there is going to be very very wide discretion on the part of the department to say whether or not a pensioner gets this supplementary allowance and there really is no such thing as a presumption at all? The actual fact is that the department is given very wide discretion as to whether or not supplementary allowance should be paid. Is not that the actual fact?

The WITNESS: I might say this, Mr. Chairman, that today I have endeavoured to indicate the way the question of unemployability will be judged. In my previous remarks, of course, it was what I meant by "presumption" which I sought to clarify.

Mr. GREEN: To what page are you referring, General?

The WITNESS: To page 35. The point was that the grant would not be automatic in the sense that a man would qualify if he received a specified percentage of pension. I think I gave my answer to Mr. Croll on types of case that it would be desirable, I think, to make provision for including.

Mr. GREEN: I do not suggest for a moment, General, that you are trying to mislead the committee. I don't say that for a minute; but I am thinking of the effect of a statement of that kind, right across the country; that it might very well give a wrong impression, because it is perfectly obvious to me that there is not to be any such thing as a general presumption that disability is a major factor in the unemployability; and yet that is what you said in your opening remarks the other day. Am I correct in summing up?

The WITNESS: My feeling at this time, Mr. Chairman, is that when the district offices begin to adjudicate on any applicant's case—let us say he is a 75 per cent pensioner—they would normally think "This man can't get a job, and his disability probably is a main reason for that". Unless there was something in the circumstances or records which indicated that that was not a main reason, then he would get the supplement.

The CHAIRMAN: Mr. White, you were trying to get the floor a moment ago; will you go ahead and put your question?

Mr. WHITE: I want to ask the deputy minister with respect to this allowance—that is the supplementary allowance of \$40—if the veteran is granted it under the regulations how long will he continue to receive it, and how is he going to check up on employment and that angle of it?

The WITNESS: Well, it depends, of course on renewal of the legislation in the first instance; but so long as the legislation, or subsequent legislation, is in force each year there will be a check to determine whether the pensioner is employed or not.

The CHAIRMAN: The same as war veterans allowance.

The WITNESS: It is similar; but there you have to go into the question of means which you do not have in this case.

Mr. CRUICKSHANK: But is there an appeal from the district representative for one reason or another?

The WITNESS: Yes.

Mr. CRUICKSHANK: Suppose for the sake of argument there is the usual two or three months delay in the final decision, when they get it, would it be retroactive?

The WITNESS: The date of the receipt of the application in the district office would govern.

The CHAIRMAN: You had a question, Mr. Herridge. I was not able to hear you.

Mr. HERRIDGE: I would like to ask the deputy minister a question. What would happen to a man in circumstances such as these: I am thinking of a pensioner who is employed in a small community, able to work, who has employment, but who as a result of some civilian accident finds himself in the position where he cannot work. He then apparently becomes totally unemployed. How would a case of that kind be treated?

The WITNESS: If the pension was for disability of a considerable extent so he would be handicapped in finding employment, I think that the man would certainly be entitled to the supplement.

Mr. QUELCH: If he had employment he would not get it.

The CHAIRMAN: He might have independent means and still be out of work. Mr. Gillis, you are next.

Mr. GILLIS: Yes. I just wanted to say, Mr. Chairman, I think Mr. Croll had his finger on the joker in the whole thing. There is no suggestion of presumption in this at all. In making the disability the major contributing factor of unemployability you are tying the hands completely of those who administer it. I do not think the present pension has anything to do with it at

all. You will find there are more unemployed veterans from this last war in the five, ten and fifteen per cent bracket than you will in the higher brackets, and the major factor contributing to their unemployability is the fact that they are living in sections of the country where there is no employment for them. The major factor is the area, the type of industry and so on; and if that major factor contributing to unemployability is left in there, in my opinion, very few of the veterans are going to get any relief by this piece of legislation. The whole thing is wrong as far as I can see. I think the committee would be well advised to move to have it taken out.

The WITNESS: I think there is a difference in what Mr. Gillis was saying; that is not THE major contributing factor, but A major contributing factor.

Mr. GILLIS: There is no difference in my mind.

The WITNESS: Well, it is not the intention of the administration to say that the disability must be the main cause; which, in point of fact, is the terminology which I believe is used in the British legislation.

Mr. CRUICKSHANK: What is the objection to taking it out?

The CHAIRMAN: Order, please. We will come to that, from the evidence or the answer to Mr. Gillis.

The WITNESS: The other point which Mr. Gillis made was the position of the lower disability pensioners. Of course, they are presently eligible for war veterans allowance.

Mr. GILLIS: No, they are not.

The WITNESS: There is no provision there for simple unemployment. If eligible as unemployable they would get more money out of war veterans allowance.

Mr. GILLIS: I think the point is germane to the matter under discussion. I have made personal representations on behalf of veterans of this war who are in that position. They are in a section of the country where they cannot get work and they are on low pensions, and the decision in every case has been that because a man had not attained the age of 60 and is not considered unemployable, war veterans allowance is not available. That is the attitude of the War Veterans Allowance Board at the present time.

The CHAIRMAN: Might I interject? You are dealing with comparatively young men from World War II—

Mr. GILLIS: Yes.

The CHAIRMAN: —who have for example a fifteen per cent pension for war disability but who cannot get work in the locality where they reside; do I understand you to say that the War Veterans Allowance Board says that if you are 30 years of age and you live in North Sydney and there is no work for you there but you could get work in Fredericton or elsewhere we are not going to give you the war veterans allowance?

Mr. GILLIS: Yes.

The CHAIRMAN: That, I think, is correct. But on the other hand if it is a borderline case, where the physical or mental ability is in question and no local work is available the Board usually takes this employment factor into consideration and makes an award.

You are not suggesting that with just a slight disability he should get the war veterans allowance at age 30 just because he cannot find work where he likes to live?

Mr. GILLIS: No, definitely not, but I am suggesting that he should be eligible for this unemployability supplement.

The CHAIRMAN: But if he is 35 or 40 per cent he is eligible anyway.

Mr. GILLIS: That is right.

The CHAIRMAN: So this legislation does meet the situation in any case.

Mr. QUELCH: That is a problem we have got to overcome.

The CHAIRMAN: That is right.

Mr. GILLIS: I would like to say this to General Burns again: you say you refer to his previous work there; I want to say that there are thousands of young men who came out of service in the last war who never did any work, and many of them have not had any work since. This provision does not meet that problem, in my opinion. That is a problem that has to be met.

Mr. CROLL: Surely Mr. Gillis is wrong when he says that there are many men who came out of this last war who have not done a day's work since?

Mr. GILLIS: Definitely.

The CHAIRMAN: I think we are entering into a rather wide range of discussion there. I suggest we had better deal with this problem first.

Mr. CROLL: Mr. Chairman, please do not be too hasty in ruling me out of order. I have not had a chance to look up the rules this morning and I do not just know the application of the rules to what I am about to do. I am going to move that from vote 650 the word "major" be deleted, and that the vote read after the word "Act", "for a disability which is a factor contributing to their unemployment."

Mr. CARTER: Mr. Chairman, before we consider Mr. Croll's motion, I wonder if we could get over the difficulty by using the word "significant" instead of "major"?

Mr. CROLL: No, just a moment, Mr. Carter; I am trying to get it with no qualifications, and that is the reason I am asking that the word "major" be deleted, I do not know what the practice is particularly with respect to votes. I am not familiar with it. I do not remember that this has happened on any other occasion but I think I am in order, and I think the committee has the right to do this.

The CHAIRMAN: Order, please, gentlemen.

Mr. CROLL: And so I move that the word "major" be deleted from the vote; and that vote 650 would read:

"To provide financial assistance after the thirty-first of May, 1951, in accordance with regulations to be made by the Governor in Council, to unemployable veterans who are in receipt of pension under the Pension Act for a disability which is a factor contributing to their unemployment."

The CHAIRMAN: Let me hear again, Mr. Croll, the preamble to your resolution.

Mr. CROLL: The first part of my preamble was to ask you not to be too hasty in ruling on the point of order.

The CHAIRMAN: I heard that.

Mr. CROLL: The second was along these lines: My purpose was to avoid administrative misunderstanding which may arise by virtue of having this interpreted by different people across this country, all of whom are trained and capable but who may attach a different significance to the word "major" than we in this committee attach to it.

The CHAIRMAN: And you think it might vary from district to district?

Mr. CROLL: Yes, it may vary from district to district, and that is exactly what I had in mind. They may interpret it more leniently in British Columbia where they have a larger number than in northern Ontario where they have a lesser number of those cases. The second reason is that it is very difficult, I find, once we have dealt with a vote to vary it at a future session and since this

may find its way into legislation we will be faced with the word "major" at a future date, and the question will be asked then why did you not take notice of it at the time you had the opportunity to deal with it?

I think perhaps it is the consensus of opinion of this committee that that would be helpful to the administrative branch; it may or may not cost more, but that, at the moment, is not important.

The CHAIRMAN: While I question, Mr. Croll, whether or not the committee can amend this item I have no doubt in my mind that the committee has the power to recommend in this fashion: "that in the opinion of this committee." To avoid a technicality I think your resolution should be worded in something of the fashion that "in the opinion of this committee this word should be deleted with the view of simplifying administration and so on." I think that is what you are trying to get at. I think the committee has not got power or at least it is debatable whether we have power to amend it in committee, but since you are asked for your opinion, and if in the matter of administration you think it would be easier administered by that change, certainly it would be within the competence of this committee to so recommend.

Mr. CRUICKSHANK: Not only easier to administer but also to the benefit of the veterans.

The CHAIRMAN: The purpose of administration is to assist the veteran and when there are administrative difficulties they are supposed to be straightened out for the benefit of the veterans. All the benefits to flow from this legislation are designed to help, not the administrator, but the veteran.

Mr. CROLL: The amendment should not give reasons, but it should read as you suggest: In the opinion of this committee it is recommended that the word "major" in vote 650 be deleted. That, I think, is acceptable, is it not, under the rules?

The CHAIRMAN: Continue your discussion of it and in the meantime I will look up the rules.

Mr. CROLL: This is an opportunity for other members to discuss it.

Mr. CRUICKSHANK: If we cannot recommend then I would like to know why are we sitting here?

Mr. HERRIDGE: I think there is a great deal in Mr. Croll's amendment, because the great danger is that while this committee gets a general cross section of the interpretation of the resolution, I find that, the more junior the scale of administrative officer the more afraid he is to give a wide interpretation of words, and you will thereby have an inequality of application.

Mr. QUELCH: On the whole, the final decision would not rest with the local authorities because if the Treasury Board felt that the award had been made contrary to the wording of the vote they would refuse to make the payment. One other point: Brigadier Melville likened this to the question of a widow whose husband had died, having had a fifty per cent disability. I think it should be likened to a case of a husband with less than a fifty per cent disability, because in that case the widow has to prove that her husband's death was due to his war service and if it occurred eight years after the award it would be impossible to do that. In this case, if the man suffering a fifty per cent disability had been employed for six years and then he became unemployed, with a total disability, it would be difficult for him to prove that his disability was a major factor contributing to his unemployability. The fact that he already had worked six years with that fifty per cent disability would be the very fact that would make it hard for him to prove that his disability was a major factor contributing to his unemployability.

The WITNESS: In a certain type of employment, Mr. Quelch. You have in mind employment which might not be any longer available to him by reason

of his accident, and other types might not be available to him because of his disability. Therefore his unemployability would be due, to a major extent, or rather that his disability was, as I would say, a major contributing factor.

Mr. QUELCH: You mean if the same ruling is made on this supplement as is made in regard to the widows of husbands whose disability is less than fifty per cent—there would be very few veterans getting a supplement where they had employment prior to an accident and then were not able to carry out that same work after the accident. They would rule that his unemployability was due to his accident. It is practically impossible for a widow to get a pension where her husband did not have a fifty per cent disability and where the death occurred eight or ten years after the war. I think Brigadier Melville will agree to that, that it is pretty difficult under those circumstances for a widow to prove that her husband's death was due to war services.

Brigadier MELVILLE: My example was given mainly to be helpful; the fifty per cent had been established as a level, mainly, of a serious disability.

Some Hon. MEMBERS: Question.

Mr. CROLL: Mr. Chairman, I have a suggestion to make which I think is a good one, if the committee will indulge for a moment. I made a motion and I intend that the motion should be heard at the appropriate time. It is suggested by me now that we wait and not deal with it until we have heard the Legion and the National Council.

Mr. LENNARD: And I suppose we will be chewing the rag over this thing for the next two or three weeks.

Mr. CROLL: Let us hear their views on this.

Mr. CRUICKSHANK: Can we not recommend as we go along?

Mr. CROLL: Is there no merit to the suggestion that we hear the Legion and the National Council? The motion is on the table and I am prepared to go on with it, but that is a good suggestion. They may have a suggestion that may be helpful to us. I think I know the feeling of the committee and we are all of one view but at least let us hear from those organizations.

Mr. LENNARD: I will second the motion made by Mr. Croll.

The CHAIRMAN: I do not think it needs a seconder. You mean the suggestion to wait?

Mr. LENNARD: I second the motion he put forward originally.

The CHAIRMAN: It does not require a seconder.

Mr. CROLL: What have we to lose if we wait until then?

The CHAIRMAN: I have not interjected myself into this discussion but I think what we have to bear in mind is this, that this committee has a tradition of taking itself very seriously, and the veterans organizations generally have also. I know this. They have given us notice that they are coming and I took the responsibility of suggesting to Mr. Croll that it would be unusual for this committee to reach a decision on this before we heard the witnesses. I am not a lawyer, and I have kept out of court fairly successfully, but it does not seem proper to ask them to come and be heard with respect to something, and that that something had been prejudged before they came. They will be here on Thursday. This is not a very contentious matter; the only contentious part of the resolution is whether or not it is in order; and I have deferred a ruling on it but have given an opinion that we have no power to amend, and that the only power I think we have is to recommend in our report. In our report we can put anything we like. I am clear on that, but I suggest to the committee that in accordance with the usual practice it would be a bit unusual to make the

decision now. Some of the resolutions in the last committee were not decided on for weeks after they were tabled. Mr. Herridge had one and Mr. Brooks had one.

Mr. HERRIDGE: Ours was six weeks.

Mr. CRUICKSHANK: That was the delay—we had to have all the statistics.

The CHAIRMAN: The results justified the delay on that occasion.

Mr. CROLL: I do not see any purpose in pressing this at the moment. As the chairman sets forth, the intention is to hear these organizations, and I think it is a matter of courtesy to the Legion to wait and hear them.

Mr. LENNARD: If we have to wait until we hear the different organizations and briefs then what are we wasting our time for here this morning? We cannot do anything, you say?

Mr. HERRIDGE: We have not wasted our time; we have discussed this question and got an opinion on it, but we do not want to make a decision until we hear the briefs from which we may get some further suggestions.

Mr. LENNARD: Let us adjourn then.

Mr. CRUICKSHANK: I think the chairman is correct on one point and that is we can only make a recommendation in our final report.

Mr. GEORGE: It seems to me we are not wasting our time. The very fact that this point has come up shows that we are not wasting our time, and we are now in a better position to interpret the Legion's views on the matter when put before us. I am not satisfied in my own mind that Mr. Croll's suggestion is a thing we should do and I would hesitate to vote on that motion this morning.

Mr. CRUICKSHANK: I move an amendment.

Mr. GEORGE: Just a minute. I think we should let this matter ride until we hear all the witnesses and then decide.

Mr. CRUICKSHANK: That is all I was going to suggest. That is all I was going to move. You cannot let it stand. There has been a motion moved and seconded and according to Beauchesne at page 72—I was merely going to move, or whatever the legal term is, to let it stand. My motion is that it stand.

The CHAIRMAN: That is acceptable, but I do not need a motion. Gentlemen, the way for it to stand is for somebody to start talking about something else.

Mr. CRUICKSHANK: Oh no, not according to Beauchesne.

Mr. JUTRAS: Look at page 72!

The CHAIRMAN: Gentlemen, the consensus of opinion of the committee, when we met last week, was that we could use this time to good advantage making ourselves better informed about this matter before we heard the expert witnesses from outside. At that time there was an effort to place some further information before the committee. That is available, Mr. Burns?

The WITNESS: Yes, sir.

The CHAIRMAN: And it was deferred. If it is the desire of the committee we will table or have presented to you certain other information which will be in the record and which will probably permit further discussion. In the meantime all you have to do is to move that the question stand.

Mr. CRUICKSHANK: I so move.

The CHAIRMAN: Those in favour? Contrary?

I declare the motion carried.

Mr. GILLIS: Before you go on will you tell us when the Legion proposes to come in?

The CHAIRMAN: Thursday of this week. They are coming definitely then.

Mr. LENNARD: What other organizations are coming, Mr. Chairman?

The CHAIRMAN: The National Council of Veteran Associations have agreed to come on the following Wednesday.

Mr. LENNARD: Are there any others?

The CHAIRMAN: There are no others that have yet been agreed upon. There are two other organizations I think; they are not veteran organizations, but are associated with us, who might be concerned with the legislation when it comes down. The steering committee resolved at its former meeting and so reported that we would decide on whom else we would hear when we had concluded with these other representations.

Mr. LENNARD: Do you not think, Mr. Chairman, in fairness to everyone concerned, that there should be a deadline set for the presentation of the briefs from the different organizations and that it should be publicized?

The CHAIRMAN: We are not going to invite people to come.

Mr. LENNARD: You might, for instance, get a request from some organization that they wished to be heard probably at the last meeting of this committee, and they might bring up some matter that we thought was settled. I think there should be a deadline up to which veterans organizations should be allowed to appear before this committee.

The CHAIRMAN: I will ask the secretary to bring that up at the next meeting of the steering committee and we will make a proposition to the committee later.

Mr. GOODE: Mr. Chairman, have you any idea as to how long this Legion brief will take? I just wondered whether 11.00 o'clock would be a suitable time.

The CHAIRMAN: We cannot be amending the hours back and forth. I imagine it will be well within two hours, though.

We have with us the Director of Casualty Rehabilitation, Mr. Abraham, who is going to put on the record some more of the file with respect to this particular item.

Mr. GREEN: Mr. Chairman, I asked General Burns a question the other day about the number of pensioners who would benefit from this supplementary allowance, and it was my understanding that he would bring in an answer today.

The CHAIRMAN: You are quite right, and General Burns tells me he is prepared to answer now.

The WITNESS: As I understood Mr. Green's question he wanted to know the number of veterans who would likely benefit from the legislation or item in the estimates. A precise answer is, of course, not possible, because there is no way of determining the number of unemployable veterans who because of disability and/or age are not seeking employment, or have not applied for assistance of the Casualty Rehabilitation Division in the department.

Now, potential recipients fall into the following classes: First of all, married pensioners with 45 per cent or more disability in World War I number 11,600; and in World War II they number 10,000.

Single pensioners with 35 per cent or more disability in World War I number 6,500, and in World War II they number 5,600.

Mr. GREEN: How many is that again?

The WITNESS: 5,600.

The total potential of pensioners numbers 33,700. Of course, they won't all get it at once because they are not unemployed or unemployable.

Mr. GREEN: No one drawing under 45 per cent if married, or 35 per cent pension if single is qualified?

The WITNESS: No, because he is already eligible for that sum under the war veterans allowance.

It will be a measure of security or insurance against unemployability; and the other pensioners you mention will have security under the War Veterans Allowance Act.

The basis of the estimate we made as to the probable number of recipients, which is the basis of the sum placed in the estimates, is as follows:

The fact is that the supplement will be of greater immediate value to the World War I pensioner who, in addition to his disability has the added obstacle of age to overcome in obtaining employment.

An indication of the number in age groups follows. I do not think you are interested in the break-down between the single and married for World War I and so forth; but I have it written out and I will give it so that it will be included in the statement.

Roughly, in the age group between 60 and 65 there are 4,794 in both wars.

In the age group 66 to 70, there are 2,453; and of those over 70, there are 2,143, which makes a total of over-age groups of 9,390.

Experience we have had with casualty welfare registrants shows that approximately ten per cent cannot be rehabilitated by employment and this group is one which has received every possible attention. The percentage would probably be higher amongst the group who have not requested this extra assistance in rehabilitation.

The report of the Joint Committee on Old Age Security determined that 43 per cent of all persons aged 70 and over received old age pensions (Votes and Proceedings No. 88, June 28, 1950, page 605) under the present means test provisions.

So, taking these two percentages into consideration, and admittedly making a bold estimate, it is considered reasonable to assume that the probable number of recipients will be approximately 25 per cent of the World War I potential and 10 per cent of the World War II potential.

Of those in World War I, the total is 18,100, and taking 25 per cent of that would give us 4,525, or in round numbers 4,500.

And the total in World War II is 15,600, and taking 10 per cent of that gives us 1,560, or in round numbers say 1,500 affected in the first instance so the total roughly comes to 6,000. That is how the figure in the estimate was arrived at.

Mr. GREEN: You think that the estimated number who will benefit from the allowance would be 6,000 pensioners?

The WITNESS: That is our estimate of the probable recipients. And as I said in the first instance there are 33,700 who could benefit, if they became unemployable; and it is a contingent benefit or insurance.

Mr. GREEN: What percentage would that be of the total number of pensioners?

The CHAIRMAN: That is hardly relevant since it does not apply to pensioners under 35.

Mr. GREEN: How many pensioners are there altogether?

Mr. MELVILLE: Disability pensioners total 167,000.

Mr. GREEN: Disability pensioners total 167,000; and of them you estimate that about 6,000 would benefit under this allowance?

Mr. CROLL: Wait a minute, please!

Mr. GREEN: You can ask your questions later on, Mr. Croll.

The WITNESS: Of those under 35 and 45 per cent which comprise the balance.

Mr. GREEN: You estimate that the proportion who will benefit at the present time is 6,000?

The WITNESS: Yes, sir.

Mr. GREEN: Out of a total of 167,000?

Mr. MELVILLE: No, 160,000.

Mr. GREEN: 160,000.

The CHAIRMAN: Those figures, I would suggest to the committee, may give a false impression because 60 per cent of that 160,000 are eligible already for benefit provided they are unemployable.

Mr. GREEN: I am simply asking, Mr. Chairman. You say that 6,000 out of the total number of pensioners of 160,000 would benefit now under this provision. That is correct, is it not?

The CHAIRMAN: That is correct, yes, that an additional 6,000 are provided for; but of all these people the 62 per cent of 160,000 who get less than 35 per cent already have benefits available to them in excess of what we are offering to this 6,000.

Mr. GREEN: And the total number of pensioners who are married and drawing 45 per cent or over, and the total of single persons who are pensioners and drawing 35 per cent or over is 32,700?

The WITNESS: 33,700.

Mr. GREEN: 33,700; and that is the group from which those who benefit must come, let us say, about one in five and a half. Between one in five, or one in six that group will get some benefit now. Is that correct?

The WITNESS: That is what we now estimate.

Mr. HERRIDGE: Under present conditions?

The CHAIRMAN: All right. Are there any other questions that you promised to get answers for?

The WITNESS: I do not believe so, Mr. Chairman.

Mr. GREEN: Are we going to have an opportunity to ask Mr. Burns any more questions?

The CHAIRMAN: As long as we are sitting he will be here, and as long as we are dealing with this matter.

Mr. MELVILLE: I think Mr. Green asked how many disability pensioners are married. The answer is: About 70 per cent of the disability pensioners are married.

Mr. GREEN: Is this allowance to be tax-free, or will it be subject to tax?

Mr. GOODE: Is that a question for this committee, Mr. Chairman?

The CHAIRMAN: It is a matter of fact which can easily be established. It is not a matter of policy.

The WITNESS: It is something which, I am afraid, we have not immediately available. We assume that as the disability pension is tax-free—

Mr. GEORGE: Mr. Chairman, would the witness mind repeating his answer. We cannot hear a word down here.

The WITNESS: Mr. Chairman, the question raised is one which we have not specifically looked into, I must admit. I assumed that as the disability pension is tax-free, that this supplementary pension or supplement would also be tax-free. It is something we could clear up as a matter of policy.

Mr. GREEN: I think it should be looked into because I feel that as the law stands at present it would be taxable.

The CHAIRMAN: A man and his wife who get \$1,800 and that is their only income would not be included in the tax.

Mr. GREEN: It would affect single men more than married, as far as taxes are concerned.

The CHAIRMAN: That is something which the department will have to inquire into. It has an important bearing.

Mr. CRUICKSHANK: Would the deputy find that out?

The CHAIRMAN: We will discover that, yes. Are there any further questions before we ask Mr. Abraham to give the record of casualty rehabilitation, so that we may have a little better view of the problem?

Mr. GREEN: There is some unemployment assistance payable now to small pensioners. Will Mr. Burns explain just what payments can be made under the present provisions?

The WITNESS: The payment, as I understand it, Mr. Chairman, is a supplement for the low disability pensioners to bring them up to the scale of relief which is given in the municipalities. It was something instituted in 1923, but it is relatively small. There are only a few thousand dollars expended for it at the present time. It would look after people who were unemployed but who were not unemployable.

Mr. QUELCH: Was that offered in addition to the war veterans allowance?

The WITNESS: Under the war veterans allowance a man has to be unemployable.

Mr. GREEN: It has nothing to do with war veterans allowance at all. It is a relief payment.

The WITNESS: That is right. It comes under the same section of the Department of Veterans Affairs Act as the present appropriation does.

Mr. CRUICKSHANK: I never heard of it before.

The CHAIRMAN: It was operated as a DSCR relief. An unemployed pensioner veteran could get relief from this department, unemployment relief, on the scale which prevailed for civilians in his municipality.

The WITNESS: It raises his pension up to that scale. It is called unemployment assistance.

The CHAIRMAN: Do you administer it?

Mr. MELVILLE: No, it is departmental.

Mr. CRUICKSHANK: Who administers it?

The WITNESS: It is administered by the department, and it is provided for in the estimates.

Mr. CRUICKSHANK: To whom do they have to apply to get it?

The WITNESS: It can be applied for at district offices, and through the Veterans Welfare officers.

Mr. GOODE: I have been sitting here thinking, which is unusual for me and I am going to ask the deputy minister whether he would table for this committee a copy of the correspondence between the department and the province of British Columbia in regard to his suggestions having to do with hospitalization? If not, I shall move in the House that a copy of that correspondence be tabled. But I think it would be better if we had it tabled here, provided the deputy minister sees fit.

The CHAIRMAN: May I interject? You are aware, of course, that inter-governmental correspondence is privileged, and that the deputy minister would not be permitted to table correspondence in this committee or in the House without the consent of the province of British Columbia.

However, the deputy minister can inquire as to whether or not there is any objection, and if there is no objection, the same rules would apply here as apply in the House. So under those conditions it cannot be tabled without first obtaining consent.

Mr. GOODE: I understand. Would the deputy minister take notice of my request and let me know?

The WITNESS: We shall try to get the correspondence as far as possible. That is what the chairman has just said.

Mr. QUELCH: I wish that the deputy minister would explain exactly how the benevolent fund comes into the picture in dealing with distress, I mean the Army Benevolent Fund.

The WITNESS: It only comes in when there is a question of some accident or something happening which is extraordinary but it is not intended to relieve continued unemployment or distress. They might help out a man whose workshop had burned down, who if his workshop were rebuilt could then have employment. It is available for meeting a need which is not the responsibility of any other government, be it municipal, provincial, or federal. Does that answer your question?

By Mr. Quelch:

Q. Just through whom or to whom is the application made?—A. The application is made to the provincial or the local committee set up under the administration of the benevolent fund. If it comes into any of our district offices it will be passed to the proper quarters.

Q. Your department has nothing official— —A. Nothing official. The decisions are made by the Army Benevolent Fund people themselves.

Mr. MACMILLAN: Does the welfare department carry out any investigations?

The WITNESS: They are frequently asked to carry out investigations by the Army Benevolent Fund.

The CHAIRMAN: And, as our department has all of the documents on service, they come to us first to establish the fact the veteran is qualified in point of service. Our department does contribute services in certain instances although the fund's employees are not employed by us and have no responsibility to us.

Mr. GREEN: Can the committee be given the regulations—under this vote?

The CHAIRMAN: The regulations are in the process of preparation. Whether or not they have reached a state of finality—they will be returnable to the House fifteen days after the next session—I believe it is fifteen days after the session. I cannot give you a firm answer to that, Mr. Green, but we will consider it when we come to it.

Mr. GREEN: If the regulations are adopted while the committee is sitting can we be given a copy?

The CHAIRMAN: I will not answer that offhand. I do not know what the procedure is. At the moment I see no objection but I would, frankly, have to seek advice. I find it a bit more onerous on this side of the table than on that side sometimes, and this is one of the cases.

If there are no more questions I shall proceed to call Mr. Abraham, director of casualty welfare work.

R. W. K. Abraham, Director Casualty Rehabilitation, Department of Veterans Affairs, called:

The WITNESS: This is an abridged report of casualty welfare work of the department since the last committee sat in 1948. With your permission I will further abridge it by not reading the tables at the end, unless you direct. Reads:—

The Department of Veterans Affairs, through casualty welfare, has continued to maintain a register of seriously disabled persons.

This register includes that portion of the seriously disabled of World War II whose disabilities are of a nature that involves extensive readjustment or re-establishment in the veteran's occupation in civil life.

Those shown as employed are engaged in a variety of occupations because it has been demonstrated that when a disabled veteran has been trained to use the faculties he has left, provided proper placement follows, he can be equally as efficient as his fellow worker in a factory or office or in whatever occupation he has been re-established.

The number in the various disability groups are:

*Amputation	2,144
Other serious disabilities affecting muscles and their nerve supply, and also injuries to the bones and joints	11,498
Partial and total loss of hearing	987
Partial and total loss of sight	1,565
Injuries to the central nervous system involving paralysis of one, two or more limbs or organs. (This includes monoplegics, paraplegics, quadraplegics and hemoplegics)	270
Epilepsy, multiple sclerosis and other neurological disabilities.....	992
Diseases of the heart and blood vessels	3,288
Tuberculosis and other disabilities of the breathing system	9,819
Mental diseases and emotional disabilities.....	925
Miscellaneous (includes tropical diseases, internal disorders such as ulcers, diabetes, cancer, skin diseases, hernia, etc.)	4,174
	<hr/>
	35,662
	<hr/>

*Attached as Appendix C is a break-down of these figures into the various status groupings.

Amongst other figures, it is gratifying to state that over 1,910 amputees are successfully employed. This leaves a balance of 234, and of this number only 80 are unemployed, the remainder being under treatment, training, etc.; and of the total number of veterans having suffered or suffering from tuberculosis and other respiratory diseases, 6,622 are employed; the remaining 3,197 are under treatment or convalescing, under training or receiving other service, and only 371 are ready for employment and remain unplaced. Work surveys and plans continuously are being made for these.

The progress made since the last parliamentary committee is shown by the following table:

Status	January 31, 1948	September 30, 1950
Employed	19,607	27,820
Unemployed	1,694	1,249
Receiving treatment, training and other rehabilitation services	7,080	3,779
Rehabilitation not feasible	690	1,555
In receipt of war veterans allowance	864
Status unknown	463	279
Died while active casualty registrants	116
	<hr/>	<hr/>
	29,534	35,662
	<hr/>	<hr/>

From the above tables it will be seen that the total number on our register as of September 30, 1950, was 35,662 and of that number of registrants 78·01 per cent, or 27,820, are reported employed.

The unemployed total 1,249, and these are continually being assisted toward employment by our officers. Since the 1948 report over 6,000 disabled veterans have been added to our register, and notwithstanding this, and the fact that since that time until recently employment has been gradually getting harder to secure, our number of unemployed is less now than in 1948.

3,779 disabled veteran registrants are still receiving treatment, training and various other services. Those receiving training, of course, are decreasing as are those being medically treated, but from the veterans now entering hospital under the various classifications, new registrants are daily being discovered.

Those for whom rehabilitation is considered not presently feasible number 1,555. Of these 350 are not feasible because of attitude, which actually means refusal to co-operate; 161 are content to live on their pension and whatever other means they may have; while 1,044 have disabilities (not all war incurred) sufficiently serious to render them unfit to be placed in occupations up to the present time. It should be mentioned that these cases which are closed as not feasible are by no means left in that status by casualty welfare, but are constantly under review to ameliorate the condition.

The increase in this group was forecast in the 1948 report, and is explained by the fact that at the time of the last report to the parliamentary committee many of the more seriously disabled were still hospitalized, and therefore the feasibility of rehabilitation for them could not be discovered until the ultimate result of their medical treatment was known, and the addition to our number of registrants over the past three years was bound to produce a quota of not feasible.

It is also a fact that, unfortunately, 116 have died while active registrants and while in receipt of casualty welfare service.

In 1948 a negligible number of the disabled of World War II had been ruled on as eligible for war veterans' allowance according to the report then given. Since that time, however, certain disabilities, combined with local economic conditions, have produced among our registrants 864 recipients of war veterans' allowance, these being mostly in the lower pension group.

The status "Unknown" group is the small floating population of disabled veterans, and the decrease in their number, notwithstanding increase in the total of registrants, is indicative of the fact that we are gradually catching up with and finding out the status of many of these.

Generally speaking, the disabled veterans of World War I are not included as casualty registrants. The reason for this is that by far the greater majority of these veterans were established prior to the outbreak of World War II. However, since 1945, some, through rehospitalization due to their disabilities received in World War I, or for other causes, have found themselves unable to return to their former employment, and have applied to D.V.A. for assistance in this regard. Where the circumstances warrant, they have been taken to registry and assisted. The number of these presently on our lists is 732.

The above record of re-establishment into civil life of disabled veterans has only been accomplished by teamwork of all branches and divisions of the Department of Veterans Affairs, contributing in varying degree the services necessary, and also other Departments such as the Department of Labour through its National Employment Service, for it is, of course, a well known fact that a disabled veteran's rehabilitation can only keep pace with the restoration of working tolerance which involves remedial medical treatment and full medical rehabilitation, the provision of prosthesis where necessary, training—either academic or vocational—placement in business or industry or in farming, in some cases the provision of social service, and in all cases follow-up.

Close co-operation with the following organizations is also maintained to the benefit of the veteran: Canadian National Institute for the Blind, Canadian

Legion, B.E.S.L., Canadian Paraplegic Association, National Society for the Deaf and Hard of Hearing, and the War Amputations of Canada.

Attached is a table (See appendix A) showing the distribution of disabled veterans, grouped according to the percentage of pension awarded, and listed in accordance with their present rehabilitation status. This survey was made September 30, 1950.

It was also decided to measure how successfully the cases which had been closed had been placed in civil life, and in order to do this an adequate sample of the closed cases were studied. In making such a measure all post-war income derived from disability pensions was ignored.

To compare between pre-war and post-war earnings and status several premises were made:

- (a) that pre-war income should be increased proportionately with the increase in average earnings;
- (b) where income was not known the nature of the work was considered:
 - (i) a pre-war farm-hand who became a post-war farmer on his own account is considered in better circumstances;
 - (ii) a pre-war student or unskilled labourer shown as a post-war apprentice is considered in better circumstances because of his prospects.
 - (iii) cases of reinstatement are considered as being of unchanged status.

The schedule attached (See Appendix B) shows the findings of this survey. It is interesting to note that the only major variation in the status according to pension assessment groupings is a higher incidence of those in less favourable circumstances in the 75%—100% group. On a regional basis the less favourable group is quite low in the maritimes and on the prairies; this can be traced to the high percentage of veterans in those areas who, after the war, became self-employed as fishermen and farmers.

From the foregoing brief and the tables attached, it will be seen that 90% of all registrants whose cases are closed are satisfactorily rehabilitated, and of the active cases approximately 46% are already in employment, and the remainder in receipt of D.V.A. services in one way or another.

These results are due in the main to the conscientious and persevering work of the officers in the districts who are constantly in personal touch with disabled veterans concerning their rehabilitation. I hope that the facts set forth will be convincing evidence that the policy which has been adopted for the assistance of the most seriously injured veterans is a good one and should be continued.

The CHAIRMAN: Is there any discussion arising out of what we have heard? I thought perhaps it would be useful to have the report on the record in order that you might see on the basis of experience how we came to the conclusion in the department that under the order in council which is now before you we would be able to alleviate this cause of real distress which we know exists.

Mr. GILLIS: I think it is a good report.

The CHAIRMAN: Is there any further discussion this morning, gentlemen? If not, we will adjourn until Thursday next at 11 o'clock a.m.

The Committee adjourned.

APPENDIX A

GROUPED DISTRIBUTION OF CASUALTY REGISTRANTS OF THE VETERANS' WELFARE SERVICES BRANCH, DEPARTMENT
OF VETERANS AFFAIRS, AS OF SEPTEMBER 30TH, 1950

Pension Grouping	Net in receipt of Pension	1% to 24%	25% to 49%	50% to 74%	75% to 100% <i>without</i> Helplessness Allowance.	75% to 100% <i>with</i> Helplessness Allowance.	All Registrants							
TOTAL NUMBERS.....	3,668	6,029	11,394	7,426	6,786	359	35,662							
Number and Percentage Distribution of Registrants Within Each Group According to Rehabilitation Status														
STATUS.....														
Employed.....	2,102	57.31	5,093	84.48	9,912	86.99	6,212	83.65	4,315	63.59	186	51.81	27,820	78.01
Unemployed.....	132	3.60	176	2.92	338	2.97	292	3.93	296	4.36	15	4.18	1,249	3.51
Receiving Treatment, Training and Other Services.....	929	25.33	303	5.03	545	4.78	471	6.34	1,443	21.26	88	24.51	3,779	10.60
In Receipt of War Veterans Allowance....	237	6.46	296	4.91	245	2.15	86	1.16	—	—	—	—	864	2.42
Rehabilitation Not Feasible.....	139	3.79	125	2.07	251	2.20	305	4.11	667	9.83	68	18.94	1,555	4.36
Status Unknown.....	68	1.85	31	.51	95	.84	48	.65	36	.53	1	.28	279	.78
Died While Active Casualty Registrants..	61	1.66	5	.08	8	.07	12	.16	29	.43	1	.28	116	.32
		100%		100%		100%		100%		100%		100%		100%

N.B. The number of Active Cases included above..... 9,735
The number of Closed Cases included above..... 25,927
35,662

APPENDIX B

COMPARISON OF CURRENT EMPLOYMENT CONDITION OF CLOSED CASUALTY WELFARE CASES WITH PRE-ENLISTMENT CONDITION—ACCORDING TO PENSION GROUP AND GEOGRAPHICAL AREA

This comparison excludes any benefit received under the Pension Act

	DISABILITY PENSION GROUPING														
	Up to 24%			25% to 49%			50% to 74%			75% to 100%			ALL GROUPS		
	% Better	%		% Better	%		% Better	%		% Better	%		% Better	%	
		Un- changed	Worse		Un- changed	Worse		Un- changed	Worse		Un- changed	Worse		Un- changed	Worse
MARITIMES.....	54.0	34.0	12.0	47.1	44.7	8.2	52.6	29.8	17.6	51.5	36.4	12.1	50.7	37.3	12.0
QUEBEC.....	55.1	21.8	23.1	41.3	37.0	21.7	39.1	32.6	28.3	54.5	27.3	18.2	46.6	30.3	23.1
ONTARIO.....	33.6	39.2	27.2	37.6	36.9	25.5	39.1	37.9	23.0	30.4	30.4	39.2	35.9	36.4	27.7
PRAIRIES.....	56.8	31.0	12.2	51.2	36.9	11.9	50.7	36.8	12.5	48.8	35.7	15.5	51.5	35.8	12.7
PACIFIC.....	26.5	47.0	26.5	26.5	39.8	33.7	27.6	43.1	29.3	33.4	33.3	33.3	27.3	42.0	30.7
CANADA.....	44.4	34.3	21.3	41.0	38.2	20.8	42.9	36.8	20.3	40.1	32.6	27.3	42.1	36.1	21.8

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SESSION 1951

HOUSE OF COMMONS

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SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

CHAIRMAN—MR. L. A. MUTCH

MINUTES OF PROCEEDINGS AND EVIDENCE

reports

No. 4

THURSDAY, MAY 17, 1951

WITNESSES:

Hon. Hugues Lapointe, Minister of Veterans Affairs.

Group Captain Alfred Watts, A.F.C., Dominion President, Dr. C. B. Lumsden, M.M., First Vice-President, and Mr. T. D. Anderson, General Secretary, Canadian Legion of the British Empire Service League.

ORDER OF REFERENCE

TUESDAY, May 15, 1951.

Ordered,—That the following Bills be referred to the said Committee:

Bill No. 286, An Act to amend The Veterans' Business and Professional Loans Act.

Bill No. 287, An Act respecting Benefits for members of the Canadian Forces.

Bill No. 288, An Act to amend the Pension Act and change the Title thereof.

Attest.

LEON J. RAYMOND

Clerk of the House.

MINUTES OF PROCEEDINGS

THURSDAY, May 17, 1951.

The Special Committee on Veterans Affairs met at 11 o'clock, a.m., the Chairman, Mr. L. A. Mutch, presiding.

Members present: Messrs. Balcom, Bennett, Blair, Carter, Corry, Croll, Cruickshank, George, Gillis, Goode, Green, Henderson, Hosking, Herridge, Jutras, Lennard, McMillan, McWilliam, Mott, Mutch, Pearkes, Quelch, Roberge, Thomas, Weaver, White (*Hastings-Peterborough*).

In attendance: Hon. Hugues Lapointe, Minister of Veterans Affairs; Group Captain Alfred Watts, A.F.C., Dominion President, Dr. C. B. Lumsden, M.M., First Vice-President and T.D. Anderson, General Secretary, Canadian Legion of the British Empire Service League.

Mr. Lapointe welcomed the Canadian Legion delegation.

Group Captain Watts and Dr. Lumsden were called and presented a brief on behalf of the Canadian Legion.

Mr. Herridge moved that the Committee meet at 11 o'clock a.m., on Friday, May 18, for the purpose of questioning the witnesses on the Legion presentation.

Mr. Lennard moved, in amendment, that questioning of the Canadian Legion representatives be deferred until the delegation from the National Council of Veteran Organizations had been heard.

After discussion, and the question having been put on the said amendment, it was agreed to.

At 12.25 o'clock p.m., the Committee adjourned until Wednesday, May 23, at 4 o'clock p.m.

A. L. BURGESS
Clerk of the Committee

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

MAY 17, 1951.

The Special Committee on Veterans Affairs met this day at 11.00 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Order, gentlemen. This morning by arrangement we are to receive the brief of the Canadian Legion with respect to their views on the legislation now before us and such other matters as they may, in their discretion, desire to lay before the committee. It is not a new experience for many of us on this committee to have the advice and the admonition of the officers of the Canadian Legion. This is the second time I have been chairman of this committee—I have long been a member of the committee—and I can say that, generally speaking, the advice and admonition of the Legion, and whatever influence they may have been able to exert on the Executive Committee of Council, have been a good thing for the veteran population of this country.

I do not propose to say more because we have with us this morning the Minister of Veterans Affairs to whom and through whom all the deliberations of this body, and the recommendations of the Legion, get through to the government of Canada, and I have asked him if he would in that capacity say a word of welcome to the officers of the Legion this morning.

Hon. HUGUES LAPOINTE (Minister of Veterans Affairs): Well, Mr. Chairman, I just want to associate myself with the words of the chairman and to say how pleased we are to welcome here today Group Captain Alfred Watts and the officers of his Dominion Council. In years past the Legion has come before this committee and before Cabinet and their views have always received the utmost consideration. We are very fortunate, I believe, and the veterans of this country are very fortunate, that there has always been co-operation between our national veterans organized bodies, such as the Legion, and the departments, and the members of the committee, and parliament itself. I am sure that the views and opinions which will be expressed to us here today will receive the most careful consideration and without saying anything further I shall ask Group Captain Watts if he will introduce his brief.

The CHAIRMAN: That being the main business before the committee this morning, the presentation of the Legion brief, I will ask Group Captain Watts to proceed.

Group Captain Alfred Watts, A.F.C., Dominion President, Canadian Legion of the British Empire Service League, called:

The WITNESS: Mr. Chairman, the Minister and gentlemen, I would like first of all, Mr. Chairman, through you to voice the appreciation of all members of the Canadian Legion for the opportunity given us of appearing before this committee. We are well aware of the duties of all members of parliament; we know that they are onerous and demanding; and we will therefore endeavour to use the courtesy you extend to the best possible advantage.

It has been, I believe, very much in the best interest of Canada and the disabled veterans that so many ex-servicemen have gone into political life and

have found there an opportunity to translate into action the spirit of patriotism and service which found expression in earlier days in the armed forces. It gives assurance that regardless of differences of opinion and party, and the complex motives influencing men's actions that the welfare of Canada will come first. It also has assured the veteran that he need not go unfriended in high places and that there is in parliament a large body of men who know his problems from personal experience. Over the years through parliamentary committees, royal commissions and otherwise, this has operated to put Canada in the forefront of the free nations in their handling of veterans' problems. This statement of fact, gentlemen, is no idle compliment but has an important bearing on what we shall say about the proposed legislation before you, for we shall endeavour to show that as it stands it runs counter to the whole trend and development of pension legislation and involves the denial of the basic principles forged out of the past and vindicated by experience.

If the proposed supplementary allowances were to be in addition to an adequate pension they might be worthy of careful study. As has been pointed out, often times, under certain local conditions where physical fitness is a prerequisite for employment, such as in the coal mines or steel works of Cape Breton, a comparatively minor physical disability may result in unemployability. In such a case the proposed legislation might serve a very real need. But if this legislation is proposed in lieu of an adequate pension, as it is, then it is pernicious in the extreme.

Therefore, the Canadian Legion cannot be satisfied with the legislation before this committee. There are no recommendations for improvement in the basic rate of pensions nor is there any mention at all of war veterans' allowance, the two principal problems affecting veterans today. Worse still, the supplementary estimate of \$2,000,000 now before you would alter the tried and proven pension policy in a manner not desirable to the veteran nor, we suggest, to the Canadian public.

The supplementary estimate and the administrative proposals thereunder are in effect a means test on a pension! It will be so understood and so administered. It involves no increase in the basic rate of pension in spite of the outrageous rise in the cost of living. If the value of the dollar continues to fall this suggested policy would involve a steady march toward the means test on all pensions and in any event it involves the not very hidden penalty on the industrious disability pensioner.

Dr. Lumsden's presentation, following mine, will demonstrate to you the basic principles of the disability pension both as to percentage and compensation, and the country's responsibility to the pensioner.

Perusal of *Hansard* and committee reports through the years since 1916 reveal that no one subject has received more earnest and non-partisan attention than that of the affairs of veterans and their dependents. That is to be expected because we rate ourselves as a people of high morality and we are well aware that these men have stood twice between us and the loss of our freedom.

I cannot think of any more effective summing up of the principle of the Pension Act, and of the public opinion and parliamentary opinion behind the law than the words of The Honourable Milton Gregg, V.C., reported in *Hansard* May 11, 1948. At that time the 1948 parliamentary committee had just concluded its work in a manner that left no stone unturned to ascertain veterans' requirements from every possible aspect.

The most important result was the increase in the basic rate of pensions by twenty-five per cent and I believe that it can be properly said that no committee or parliamentary decision could have been more the product of Canadian opinion than was that.

The honourable minister in reporting the matter to the House for the government had this to say:

It gives me great pleasure to announce that, following a full and most intensive consideration of the representations made before the parliamentary Committee on Veterans' Affairs, and after studying the evidence presented there, the government has agreed to accept the recommendations, including an over-all increase of 25 per cent in the basic rates under the Pension Act. Honourable members will be gratified, I am sure, by this decision; for the country has shown clearly its opinion that those who have suffered as a result of death or disability from war service should be adequately compensated.

The statement should be no less cogent if applied to war veterans' allowance which was put in by the government at the behest of the people as recognizing, and properly so, a definite pre-aging of the men who had served in a theatre of war.

Today, only three years later, can we find any justification for a sudden change in a policy which has been built up since 1916? Consider the three factors:

1. Have the things which the veterans have done for us diminished in the past three years? Is their service in World War I and World War II any less valuable?

The answers to those two suggestions must be "No".

2. Pension standards—Disability compensation has always been based on the labourers' earnings, and it is obvious that some such standard must be basic.
3. Present pension legislation affects not only the men of the first and second wars, but also those whom our government have called upon today to fight for our freedom. I refer, of course, to those men who are now bearing arms so gallantly for Canada in Korea.

We presented a brief to the cabinet last November covering the whole range of requirements for the veteran. It was a carefully thought out and a fully factual brief, and its accuracy has never been controverted in any way. It proved that the disability pensioner and the recipient of war veterans' allowance was, and still is, in a sorry plight.

With all the foregoing in mind, with the knowledge of what a disability pension really means, and with the knowledge of all the facts and aspects of the situation, would it not seem reasonable that the policies formed through all the years of trial and debate would be carried on at this time? Yet for a reason that I cannot understand, and I am speaking as a Canadian citizen and a Canadian taxpayer just as much as dominion president of the Canadian Legion, legislation has been placed before this committee which runs counter to the whole trend of Canadian pension policy and does nothing to meet the main issues on pensions and war veterans' allowance which we presented in our brief last November. We do not understand an attempt to ignore a debt of honour in this way, and we cannot permit it to be ignored.

With your permission, Mr. Chairman, I would now call on Dr. Lumsden, our first vice-president, who has been chairman of the Sub-Committee on Pensions and Allowances in the Dominion Council, who will detail to you the actual position of the pensioner, his dependents and the recipients of war veterans' allowance today. At the conclusion of his remarks I would like to say a few words to finalize the position of the Canadian Legion before this committee. Thank you.

Dr. C. B. Lumsden, M.M., Dominion First Vice-President, Canadian Legion of the British Empire Service League, called:

The WITNESS: Mr. Chairman, the Minister, and members. I would like to echo the Dominion President's expression of satisfaction at being able to present the case for the pensioner and the war veterans' allowance recipient before a parliamentary committee such as this. I am quite sure that you will approach the subject as we have approached it, with an honest desire to do the thing that is right and is just to the veteran and to Canada. I will now proceed to read our brief.

Recommendation:—

That a straight increase in pensions be granted sufficient to offset the great rise in the cost of living.

Our president has indicated that the Legion does not regard the proposed legislation as a satisfactory solution of the disabled veteran's financial problem, and I have been commissioned to present to you on behalf of the Legion a more detailed exposition of our views.

The Pressing Problem is the High Cost of Living

In simplest terms the high cost of living has made utterly inadequate existing financial provisions for disabled veterans and their dependents. If we take the 1935-1939 years as normative, we find that the married veteran received \$100 a month for the maintenance of himself and his wife and the cost-of-living index then stood at 100. Now the pensioner receives \$125 a month but the cost-of-living index is 181.8. If we should represent the necessities of life which the pensioner could purchase with his \$100 in the base years by 100 units, then at the present time with his \$125 he could only purchase 68.7 units with the cost-of-living index at 181.8. But these figures do not tell the whole story. The major expenditures in the low income groups are for food, clothing and rent. The cost-of-living index is based on the supposition that—

Food takes	31.3%	Clothing	11.7%
Shelter	19.1%	Home Furnishings	8.9%
Fuel & Light	6.4%	Miscellaneous	22.6%

but on account of the Canadian climate shelter has first priority for a family, and if we may trust the figures in tables 26 and 27, page 30 of the "Guide to Family Spending" prepared by the Toronto Welfare Council, low income groups pay a disproportionate amount for rent. Their figures, derived from the year 1941 and representing the means from two income groups—one under \$1,200 per annum and the other from \$1,200 to \$2,000 per annum, are hard to correlate with the actual rental paid by a \$1,200 a year pensioner but they will serve as a rough guide. The desirable rental for the low income group under \$1,200 is set at \$13.77 a month. The actual rental paid averages \$25 and 91.4 per cent of the group paid a disproportionate rent. For the medium group \$25.82 is set as the desirable rent; \$29 as the actual, and 62.6 per cent of the group paid a disproportionate amount. We, therefore, would not be far wrong if we postulate a rental of around \$30 per month for the 100 per cent pensioner, and since rent has gone up 35.5 per cent in the meantime, it is a reasonable assumption that today he is paying at least \$40 per month. A limited survey carried out for us by the research director of the Welfare Council in November, 1950 indicated \$40 as the minimum for the 100 per cent pensioner. Housing is in short supply, low rental places exceedingly hard to get and shelter is a number one priority, so we may rest assured that today the married pensioner is paying out at least \$40 of his \$125 a month for rent; that is, 32 per cent of his income, instead of the desirable 19 per cent, must go for shelter.

During the base years he received a pension of \$100 so that after payment of rent he had \$70 left for all other expenditures. According to the index figures, during the base years the couple spent \$31.10 per month for food—surely not an extravagant amount for two people. Yet, on the basis of today's prices, this same amount of food with the food index at 238.4 would cost \$74.14.

After his food and shelter the pensioner during the base years would have \$38.90 left for fuel, light, clothing and miscellaneous. Today after spending his \$40 for rent and his \$74.14 for food he would have \$10.86 for all these items. Clothing is a necessity only second to food and in normal living accounts for 11.7 per cent of a family's expenditures in this income group. In the base years this would have been \$11.70 a month but the clothing index stands at 198.8 and to purchase this much—and surely it is not a great amount—your pensioner would require \$23.26 a month, a sum in excess of what his expenditures for rent and food have left him, and there is nothing left for fuel, light, home furnishing and the miscellaneous purchases which normally take 37.9 per cent of the income. There is, therefore, nothing left for him to do but change his eating habits, to go hungry, to be cold, to be shabbily dressed and to forego the little amenities that make life pleasant. This is an appalling drop in living standards and reduces the pensioner to the status of an individual living on relief with sub-marginal standards.

National Living Standards and the Pension Scale

This reduction of the standards, bad as it is, would not seem quite so bad if it were characteristic of all groups in the country, but the reverse is largely true. Living standards have gone up whilst the pensioner's have gone down. So that by comparative standards he is even worse off than these figures indicate. Later we shall argue the necessity of having some reasonable basic norm by which to gauge pensions.

For the present we would simply indicate that our scale has been related to the earnings of the manual labourer and pensionable disability assessed in relation to the labour market. For purposes of comparison, therefore, we are using two relevant sets of figures to indicate the comparative loss of the pensioner. The first is the wage index as indicative of the living standard of the group to which the pensioner has been administratively assigned; the second, the armed forces rates of pay as indicative of a service group from which he came.

We find that as of April 1950 the wage index stood at 218.3 as against a pension index of 125. The *Labour Gazette* of March 1951 gives the payroll index of nine leading industries for December 1950 using 1941 as the base year. This index stood at 251.6 as against 132.8 for the year previous, and the average weekly earnings compared to the cost of living as of December 1950 gave a real weekly earnings of 111. That is the wage index as related to the cost-of-living index. The exact figures, of course, are not important. They simply illustrate that despite the rise in the cost of living the real income and standard of living of labour has gone up; that of the pensioner gone down. When we turn to a comparison of rates of pay and allowances in the armed forces the picture is somewhat different.

A single private in 1937 received \$36; today \$79 on entry and \$83 when trained, or a wage index of 230. If married in 1937 the total pay would have been \$93; in 1951 if he were a trained soldier it would have been \$155; a wage index of 166.7 over against a pension index of 125. So that by both of these standards, the wage index as indicative of the group standards in civilian life, and pay allowances as indicative of army standards, the pensioner falls substantially below his contemporaries. If everyone lived in one-roomed houses with inadequate facilities it would seem no particular hardship for anyone, but with our present standards a definite stigma must be attached to it and the individuals who so lived would tend to become social outcasts.

The pensioner was accustomed to associating with certain classes of people who live in a certain strata of society; now he is financially unable to do that. He has dropped several notches in the social scale. Emotionally and psychically this may seem a more intolerable hardship than even the scarcity of certain physical necessities. Last year we asked for a $33\frac{1}{3}$ per cent increase over present rates. This is already out of date because of the nine point rise in the cost of living, and it would need a 40 per cent increase right across the board to approximately compensate for the increased cost of living. By comparative standards he would still be unfavourably situated in relation to his contemporaries, but having regard to the relative stability of pension we are prepared to accept that disparity.

The Government's Answer to These Problems

The government's answer to this need is found in these proposed bills. We are glad that they have accepted our suggestion that a widow should receive full orphan rates for the support of her children and we are also happy to note that allowances for children will be continued up to the age of 21 if they are making satisfactory educational progress. Both of these changes are constructive, but the proposal to meet the basic problem of the pensioner by a supplementary relief grant of two million dollars is utterly inadequate in scope and if intended to take the place of a general pension increase, basically wrong in principle and fraught with the most dangerous and objectionable implications to the whole Canadian pension system.

The Supplementary Grant to Unemployable Pensioners

If we correctly understand the reasoning behind this proposal, the argument runs something like this: The majority of pensioners are employed and through their employment share the inflationary wage cycle which compensates for the increase in the cost of living, so that there is need for relief only in the case of the unemployable pensioner who is now not eligible for war veterans' allowance. Let us come to grips with this argument. First, it disregards, and by disregarding eliminates, the basic premises and established norms of the Canadian system. Pension is compensation for service-incurred disabilities. The assessment of disabilities is in terms of percentages by a medical board. The norm or standard of compensation has been a rough approximation of the wage scale of the manual labourer and percentage of disability assessed in relation to handicaps in that field.

Throughout the years this seems to have been the rough and ready basis of our pension scheme so that if precedent and practice and public statement count for anything, we may regard it as the established principle in the Canadian pension system. Over the years as statistical surveys have developed, the cost-of-living index has gradually come to be taken as a guide in calculating the adequacies of pension; it being considered an approximate reflection of living standards; for of necessity, over a period of years there is a definite relation between the cost of living and wage standards. However, in the parliamentary committee of 1948 Colonel Brooks questioned the adequacies of this norm on the ground that living standards had gone up since pensions were established, and what once were luxuries, such as refrigerators, etc., were now regarded as necessities, and if the pensioner were to maintain a standard of living comparative to his contemporaries he would need an even greater increase than the cost-of-living index indicated.

We have already suggested that the wage index should also be used as a barometer of living standards and a factor which should receive consideration in any analysis of the basis of our pension system. Today the cost-of-living index as of the first of April stood at 181·8; the payroll of December, 1950 at 252·4

and the pension index at 125. This shows at a glance that the present scale of pensions in Canada is altogether out of line with realities. Yet the government's proposal ignores these basic and fundamental facts while admitting by implication that pensions are inadequate to meet the demands of the day. Instead of the basic over-all increases which the application of recognized principles to the present need demands, it seeks to meet individual needs by a palliative inadequate in itself, obnoxious in principle and humiliating to the pensioner.

*Implications of this Departure Alarming
Introduces Principle of Need instead of Right into Pension System*

The basic deviation from established Canadian practice and theory involved in this proposal can be clearly seen by an indefinite projection of the present trends. During the last year the cost of living went up 15 points. Let us project that over a period of 20 years, which added to the present cost of living would give an index number of 480. We are not interested in the fact that this will probably not happen. We are simply using it to bring into clear relief the basic principles involved. Under circumstances like that would pensions remain the same?

If the method used by the government to meet the present situation were used to meet that problem then there would be no adequate compensation for war injuries and assistance to the disabled would be on a means test basis. It should be obvious that once you repudiate the cost of living and wage indices as norms and make relief contingent on need, then you have in fact introduced the means test into the pension legislation. That is inescapable. The Minister of D.V.A. insists that this supplementary allowance for unemployable veterans does not introduce a means test in the pension. But we would be false to our responsibility as a veterans' organization if we did not emphatically assure him that if the total disability pensioner must establish unemployability before he receives a minimal subsistence allowance, then it certainly will be regarded as a means test and resented as such. As you see, this introduces a principle of need into the pension system which has been foreign to the Canadian practice and tradition, but it does seem to reflect the practice of Great Britain and some other commonwealth countries, a practice which fortunately Canada up to the present has had foresight enough to avoid.

The deputy minister states "The principle of an unemployability allowance is not new in pension procedure. It is in effect in the United Kingdom, in New Zealand and Australia and the department's information is that it is serving a most useful purpose." We have at hand a brief presented by the New Zealand Returned Service Association defending the economic pension. And they frankly acknowledge that it does involve a "means test". We quote "The very basis of an economic pension is a man's economic position and 'a means test' therefore seems to be essential to ensure that only persons entitled to it receive the pension." They at least are frank about it. But this system has come under heavy fire in New Zealand and the last issue of "The Commonwealth and Empire" has a note on recent efforts to revise pension legislation there.

I have a copy of the April 1951 issue of that magazine here, and I will read the paragraph: "The existing system of war pensions was criticized. The disadvantages of the Economic Pension (referred to as 'one of the great evils of the system')"; so evidently it is not as popular there as one would think.

Their "economic pension", a supplementary allowance depending upon need is described as "one of the great evils of the system". This legislation would seem to introduce a practice foreign to our tradition and contrary to the whole trend of Canadian pension legislation.

You will note from the foregoing how definitely the proposed legislation repudiates the accepted standard of manual labour wage scale as the basis for

pension legislation and substitutes need. They frankly state that before they could come to any final decision as to basic pension rates they required information as to the general employment situation of pensioners. Something which should never have entered into their calculations at all. All thinking about pensions inevitably returns to the necessity of some accepted standard or basis but it is precisely this basic standard which the proposed legislation would eliminate and leave instead—what? The mood of whatever government was in power? The desire of the Treasury Board to cut down expenses? The present Canadian pension system grew up in frank recognition of the impossibility, and undesirability, of assessing pensions in relation to need and established certain basic norms which have been acceptable and workable. It would be a retrograde step of the most serious implications if this Government were to repudiate them in the name of a false economy.

Reduces Incentive to Overcome War Handicaps

Who is to determine unemployability under this legislation? By definition any \$100 pensioner is unemployable if he chooses to regard himself as such. At times it requires a great deal of courage and perseverance to overcome war handicaps and to attain the status of a productive citizen. This legislation would add to these psychic and physical handicaps the loss of \$40 a month if success should crown his efforts. Further, there will always be some who will question the value of seeking work if they can secure \$40 a month by refusing to work. You gentlemen know the problems created by W.V.A. before the ceiling on casual earnings was lifted and they would be repeated under the proposed legislation. All these problems would require investigation and some sort of a means test. While in the civilian field the old age pension is getting away from the means test, here the very problems of administration would drag it into the affairs of the disability pensioner on a scale never thought of before.

The WITNESS: I might say also that the information brought down in your last meeting as to the number of pensioners who would probably be helped by this proposed legislation is away too low, if we take the figure of the New Zealand experience, and I think it would bear out our contention that this legislation is a barrier to rehabilitation. According to the figures suggested in your last meeting, approximately 20 per cent of the eligible pensioners would probably secure this supplement.

Mr. GREEN: It was far less than that: It was 6,000 out of 160,000.

The WITNESS: No, but I think that 30,000 was the figure given of the pensioners that were eligible for this and 6,000 of those would be eligible—

The CHAIRMAN: Immediately.

The WITNESS: But according to this brief that we cabled to New Zealand for, 38 per cent of pensioners with more than 40 per cent disability are receiving the economic pension. This would indicate that the economic pension is a barrier to the pensioner rehabilitating himself. When we consider also that apparently in New Zealand they are not as lenient as we are in the consideration of casual earnings, this fact will become even more apparent. It seems that this acts as a barrier to the pensioner rehabilitating himself and I think it would turn out that the percentage would probably be a great deal higher.

We take the strongest possible exception to the view that the increase would be of no value to the small pensioner. Similar reasoning led to an amendment of the Pension Act in 1925 whereby members of the forces who were disabled to an extent of between 5 and 14 per cent could elect or accept a final payment in lieu of pension, a principle, by the way, which is compulsory in Britain up to 20 per cent disability. What was our experience? The measure was found to work so greatly to

the detriment of the pensioner that after repeated representation the section was repealed in May, 1930. Surely we do not want to repeat the mistakes of bygone years.

These small amounts, so insignificant to the well to do, may be of very great importance to the pensioner—\$1.40 a month means 7 quarts of milk, \$2.00 per month—Blue Cross fees. I have known children of a pensioner whose spending allowance at college was \$1.00 per month. These apparently trivial amounts loom large indeed when there is no surplus at all. In all fairness, these men should have the increase, slight as it may be, to which their disability entitles them.

Hitler in "Mein Kampf" laid down as a principle of aggression that demands should be moderate enough so that the victim would not think they were worth fighting about. But they should be successive until there was nothing left worth fighting for. We do not want to see that principle used in relation to the small pensioner and must insist as a matter of principle of very great importance that the scale of percentage disabilities be strictly adhered to and the small pensioner be treated as fairly and justly as the 100 per cent disability case.

The Problem of Cost

When we ask why such a radical departure from established principles is contemplated when the simple, obvious and manifestly right approach is a straight pension increase commensurate with the cost of living, we are told that it is a matter of cost. A straight pension increase of $33\frac{1}{3}$ per cent would have cost approximately twenty-two million. The present legislation makes provision for two million and it is argued that we cannot afford this difference in cost when the country is already spending so much on her defence effort. The Canadian Legion cannot accept that argument. If Canada cannot afford the twenty-two million dollars which the straight increase across the board would have cost, then we could not afford the four point rise in the cost of living in February, for if the cost of living index roughly indicates the increasing cost of defence projects, that four point increase represents over thirty-five million dollars added to our one billion, six hundred million dollar defence budget. It is not a case of being unable; it may be a case of being unwilling.

The defence effort has called for a 20 per cent increase in income taxes from the average citizen but inflation largely brought on by defence needs has cost the pensioner more than 30 per cent of his pension. So that the respective contributions to the defence effort is 20 per cent of a moderate tax for the average citizen and 30 per cent of his pension for the pensioner, and that in a low income field where no other citizen has to pay a tax. Previous wars have cost us money and blood. These men paid in the more expensive coin, some very heavily. Now, in the name of economy, or under the plea of defence needs, they are asked to pay for defence in terms of real income out of all proportion to that which is asked of the general public. Gentlemen, why is this? Why is this group singled out for such unfair discrimination? Is it because they have no recourse and cannot go on strike? Is it because we value less today the freedom which they preserved? You gentlemen are veterans conscious of the obligations you owe to disabled comrades and their dependants and we would suggest that you ask these questions of yourselves.

Pensions and the Defence Effort

We have already indicated that to deny these men's just claims because of the cost of the defence effort is so unfair as to constitute an ironical commentary on our oft expressed sense of obligation to those who defend the nation in her hour of peril.

We shall now attempt to show that adequate pensions, not supplementary allowances based on need, are an integral part of our present defence effort. A

great attempt is being made to secure recruits for the armed forces. Every effort is being made to make pay and allowances sufficient to attract recruits. Yet pensions for disabilities are for the married man as important as pay. It is one thing to risk one's neck, it is another thing to condemn your family to poverty, and any man with a sense of family obligation or a sane appraisal of the current possibilities of war must give pensions as much consideration as pay and they are as integral a part of our war effort as pay and allowances for the forces. It is not a question of whether we can afford them or not. We can't afford to be without them any more than we can afford to save our money by disbanding our armed forces.

Present Proposals Inadequate even from the Point of View of Need

So far we have based our objections to the proposed legislation on the ground (a) it discards the basic norms which have been fundamental to the Canadian pension system; (b) that it introduces the principle of need into the pension problem and (c) that it is an alien system foreign to the Canadian tradition, a retrograde step under heavy attack in countries where it is involved. But in addition to these we would also point out that even from the point of view of need it is inadequate.

It is a mistake to presume that because a pensioner is employed that his earnings are not often seriously affected by his handicap. Let us take a war casualty who cuts wood and is paid on a basis of so much per cord. He is employed, but because of war injuries, loss of an arm or leg or other injuries, his output may not be more than half that of the ordinary man.

Under this proposed legislation he receives nothing, but his real income is cut so seriously that his standard of living is drastically reduced. Or, here is a married man with war disabilities acting as an elevator operator at the rate of \$125 a month. He depends on his pension to get by. Now with greatly increased expenses he finds that inadequate. This legislation does nothing for him. There are many others who because of disability could only eke out their pensions with part-time labour and who find the going increasingly tough. These would find no relief in the proposed legislation.

There must be, and we know from the number of letters we receive that there are, a great number of pensioners across Canada who have had to face a heavy cut in their standard of living and are suffering real hardship. For them the present legislation makes no provision. Hence even as an attempt to meet actual need it must be regarded as inadequate.

Mr. Chairman, members of the committee, I trust that we have made it clear that we do not regard the proposed legislation as in any way satisfactory and that the basic needs of the pensioner can only be bettered by an increase in pension commensurate with the cost of living. These same facts would also point up the plight of the individual on war veterans' allowance, a matter which unfortunately your terms of reference do not mention but we would ask you in your leniency to hear our statement on this subject.

We recommend:—

1. That the basic rate of our war veterans' allowance be increased to \$50 a month for single recipient and \$100 a month for a married recipient, and that income from other sources be permitted up to \$250 for a single person for a year, and \$500 for a married one.
2. That where a recipient is permanently and completely unemployable and has no other income, the W.V.A. rate be \$60 for a single person and \$120 for a married veteran.
3. That consideration be given to the plight of children whose parents are on W.V.A.
4. That W.V.A. benefits be extended to Canadian veterans living outside Canada.

Comments

In 1947 we presented a brief to the parliamentary committee asking for \$50 a month for a single person and \$85 for the married recipient. At that time a straight \$10 a month increase was granted and a single man now receives \$40 and a married veteran \$70—per month. Since then investigation has revealed that these sums were insufficient for the maintenance of individuals with no other income. A provision has been made for supplementary relief of those entirely dependent on W.V.A. for support. These measures have been of help and the funds granted under the supplementary program have certainly gone where they were desperately needed.

We were of the opinion in 1947, and are more firmly of the opinion now, that the basic rates are too low and should be revised upwards. It is difficult for us to arrive at any statistical basis for the present W.V.A. rates other than that they seem to be allied to provincial and municipal relief practices and perhaps may be described as on a minimal assistance basis rather than an attempt to meet the total needs of the individual. Even on this basis they are too low to meet the actual needs of aged veterans. Careful study should be given to the whole problem with a view to working out a somewhat more comprehensive and adequate scheme. In 1947 the cost of living was 135·5; for 1949 it was 160·8; at the end of March of this year, it was 179·9; and now it is 181·8. If as we then felt W.V.A. rates were inadequate in 1947 it is apparent that under present living conditions they are much too low.

If we were consistent with our figures in 1947 we would now be asking for more than \$65 for the single man and about \$113 for the married person. We are, however, repeating our request for \$50 for the individual and are asking \$100 for the married couple. This departure from our former brief in regard to the married couple is noteworthy but it is made necessary by the cold facts of existence. Actually, according to the latest figures supplied by the Toronto Welfare Council as of November 1950 (which are appended to this brief), what we ask for is far below minimal living requirements. On the basis of that organization's research, a single veteran requires a minimum of \$93.34 per month—that is the figure for November—and a married veteran without children \$153.43. It will be noted that the present rates are less than half of these minimal requirements and that W.V.A. which originally recognized that the condition of these men was attributable to war service, now functions on something less than a minimal relief basis.

Unsatisfactory as it is and deplore the necessity as we may, the W.V.A. seems to be granted on the basis of something less than an existence minimum rather than that of an adequate subsistence minimum. Originally the W.V.A. grant was twice as great for married couples as for individuals and this holds true for old age pensioners who are also on a subsistence minimum basis. Because it is a minimum, it cannot be reduced where two people are involved but must be a minimum granted to each. This minimum is already \$50 per month in B.C., Alberta and the Yukon. We submit that W.V.A. should grant at least as much.

Our plea for a somewhat larger permissible income from other sources rests upon a sound basis. War veterans' allowances are inadequate for a living but in their totality they represent as much if not more than many of the veterans could possibly provide for themselves in their old age. If war veterans' allowance is reduced when the recipient has in excess of \$125 a year income, there is no incentive to plan and save so that he may have enough to live with a little comfort. If a reasonable income over and above W.V.A. is permitted, then thrift and foresight have value and the aged veteran has a chance for some small measure of comfort.

The government has established by investigation that present W.V.A. rates are inadequate where the veteran is unemployable and he has no other income.

The small supplementary grant available has been helpful but inadequate to meet the needs of the day as shown by the Toronto Welfare Council's investigations. We therefore recommend that these rates be \$60 for the single man and \$120 for the married man as a more realistic attempt to meet the need.

We must call attention to the fact that there is no provision made in W.V.A. for the children of recipients. It should be obvious that the plight of these children under present regulations is indeed bad. A man and his wife at present receive less than half of what is recognized as a minimal basis for living and at the same time are called upon to support children whose individual expenses, according to the Welfare Council's figures, average at least \$26 a month extra per child. We commend to you a study of the plight of these families and ask that some attempt be made to relieve their hard and often desperate situation.

APPENDIX

FAMILY SPENDING SCHEDULE

according to

TORONTO WELFARE COUNCIL

as at November 1, 1950

Single Veteran with 100 per cent disability—living alone	\$ 93.34
Veteran with 100 per cent disability and wife—no children	153.43
Veteran with 100 per cent disability, wife—one child	176.45
Veteran with 100 disability, wife—two children	205.28
Widow—living alone—age 30	88.62
Widow—living alone—age 60	79.89
Widow—with one child	123.63
Widow—with two children	153.72

Group Captain WATTS: Mr. Chairman, in view of the foregoing presentation it should be obvious that the terms of reference of this committee are not broad enough to enable you to grapple effectively and realistically with the urgent problems of the veterans.

With the greatest respect, we suggest, that in view of these facts the committee should go back to the House and ask that steps be taken so that you can effectively study and recommend solutions to these problems which we have placed before you. In view of the drastic cut in pensions and war veterans' allowance caused by the depreciation of the dollar, and the proposed inadequate and unrealistic approach to a solution, it would surely seem that the House as a whole should be made conversant with the situation, and have the opportunity to give you further direction. I do feel sure, gentlemen, that it is as much your desire as it is ours that Canada should honourably discharge her obligations to these veterans.

The CHAIRMAN: Before you proceed, Group Captain Watts, I would like to ask Doctor Lumsden a question. On page 15 of the brief, Doctor Lumsden, you say we are recommending \$50 for the individual and \$100 for the married couple, and by the time you get to page 16 you have got it up to \$60 for the single man and \$120 for the married man. Just which is your recommendation?

Doctor LUMSDEN: We recommend \$50 for the single recipient and \$100 for the married recipient, but where the recipient is completely unemployable we recommend that the rate be \$60 for the single man and \$120 for the married man.

The CHAIRMAN: Group Captain Watts informs me that he has a supplementary brief. I think we will go ahead and take that in now.

Group Captain WATTS: I just wish to present this supplementary brief. There are many other problems affecting veterans, pre-eminently housing, where a solution must be found, clothing allowances, treatment problems and kindred difficulties, which we do not intend to place before you today because they are not in your terms of reference. We shall continue to press these matters through whatever channels are open.

I would, however, like to refer to Bill 287, presently before you, and make the following recommendation:

That all Canadian service personnel being enlisted or posted for active duty under conditions similar to those under which Canadian personnel served during World War II be given the same rehabilitation benefits as those granted veterans of World War II.

We would also urge that the dependents of such men be granted the same allowances as were available to the men who served in World War II.

I believe, Mr. Chairman, that that closes our presentation, and once again I would like to thank the committee, through you, for their indulgence.

The CHAIRMAN: Group Captain Watts, with respect to that last paragraph, do you mean allowances to dependents of men who are in the service or allowances to men who have become veterans? We in this committee do not get them until they cease to be soldiers and become veterans.

Group Captain WATTS: To those in the service.

The CHAIRMAN: The committee will be glad to consider the matter but it is properly a matter to be taken up with the Department of National Defence.

Thank you very much, gentlemen, for your presentation to the committee. No doubt you have observed the interest with which the committee has listened to you. It is our custom following these presentations to ask questions and I presume you are agreeable to have members of the committee ask either of you gentlemen questions respecting points which may require, in their minds, some clarification. I know you will be glad to answer questions, and it is in order for anyone who wishes to address questions through the Chair.

Mr. CRUICKSHANK: Will these gentlemen be available later? One would have to be a Winnipeg regiment to remember all this. I would like to have the privilege of asking a question or two but not now. Will the witness be available at a later meeting?

The CHAIRMAN: The representatives of national organizations are always welcome at our meetings. That is something for Group Captain Watts to decide. He knows that the door is always open. The secretary of the association is usually a faithful attendant at our meetings and he may come himself or delegate whomever he wishes to come, and they are always welcome. I cannot commit him to that.

Mr. CRUICKSHANK: I was not asking you, I was asking comrade Watts through you—I prefer that title, coming from Vancouver—I am sure he would be glad to make himself available or someone he has confidence in, probably not as competent as he himself is, not coming from British Columbia. I think that comrade Watts will understand, but at the moment I do not know whether I agree or not with this brief.

Group Captain WATTS: The chairman has fairly outlined what has occurred on previous occasions, that if the people who are here are not available to come again the Dominion Secretary will be available. The situation happens to be rather difficult for both Doctor Lumsden and myself. We are engaged in the

Maritimes next week, and then there is just a week left and we are both going to England, and there is the matter of private affairs to take care of once in a while.

Mr. CRUICKSHANK: Could not I make the trip to England with you as your Parliamentary Assistant?

Group Captain WATTS: I may assure you through the chairman that the Dominion Secretary would certainly be able to answer and clarify points raised by the members as he has worked with us in the preparation of this brief. He will not be available next week, but will be available from then on.

Mr. PEARKES: Mr. Chairman, would it be possible for the representatives of the Legion to meet us again say tomorrow after we have had time to read this brief over and to give it careful study?

The CHAIRMAN: I beg your pardon?

Mr. PEARKES: I was asking whether it would be possible for the representatives of the Legion to meet with us tomorrow. Perhaps the committee could be called for a sitting tomorrow. I know that it is not customary to have a sitting on Friday but it seems to me this is a very important brief and these gentlemen have to go away from this city. Perhaps we can make an exception by having an extraordinary meeting tomorrow after we have had an opportunity in the meantime to study this brief—if it is convenient to the President and Vice-President of the Legion.

The CHAIRMAN: Well, gentlemen, in these matters I am in the hands of the committee. The committee has power to sit at any time it desires. The usual practice in the past, where it was necessary to run over a morning meeting, has been to hold a second meeting in the afternoon of the same day. I am open to suggestions from the committee. The committee might decide to sit tomorrow, if we can get a room, and the committee desires to do so, or we might alternatively desire to sit from 4.00 to 6.00 o'clock today, in that way facilitating the business of our Legionary friends. I am in the hands of the committee with respect to a suggestion.

Mr. GREEN: Mr. Chairman, on that point, the Committee on External Affairs has just been called this morning to sit at 2.00 o'clock so it will be very difficult for us to go over this brief carefully in the meantime, if there is to be a meeting of this committee again this afternoon. I would suggest that the meeting be held tomorrow morning and that will give us ample time to go over the brief and prepare for a discussion on it.

Mr. PEARKES: I might say also that there is a meeting of another committee this afternoon, the committee on the Dominion Elections Act, at 4.00 o'clock.

The CHAIRMAN: Well, gentlemen, I am in your hands. It is a matter of serving your desires in the matter and Group Captain Watts has told me they can attend.

Mr. HERRIDGE: I move that the committee meet tomorrow at 11.00 o'clock.

Mr. GILLIS: Before you put that motion, Mr. Chairman, I would like to ask you this question. If you accept, as I do, the Legion's assumption that under the terms of reference this committee is powerless to deal with the subject matter of this brief, there is not any use carrying on any more of these meetings. I suggest that we clear up that point first, consult with those that you must consult with and ask as to the advisability of changing the terms of reference. That was my opinion when we discussed the terms of reference when they were introduced into the House and it is now confirmed by the Legion. I have not

changed my opinion on it, and that is that we are wasting time holding meetings under the terms of reference that preclude us discussing matters outlined in this brief.

Mr. CRUICKSHANK: Of course, the terms of reference allow us to discuss the first part of the brief.

The CHAIRMAN: No one in the committee will be surprised when I say I anticipated that point being raised by someone, and I think the situation is reasonably clear. There is one main specific recommendation in the brief, that is the suggestion from the Legion representatives that we should ask the House for an instruction with respect to our terms of reference. That is always within the power of the committee to do, to refer back to the House and ask for instruction. I do not think we can amend. I think the language to be used is that we ask for an instruction to consider certain specific matters. I do not want to get involved in legal arguments with the lawyer members of the committee, but the fact remains that we can ask for instruction that we be empowered to discuss war veterans' allowance. That would not give us power to do any more than we have the power to do now, if as a result of this and other presentations Parliament should refer that question to us. With respect to our instructions generally we are empowered to call for witnesses and to listen to representations. We are not empowered to initiate legislation in this committee. The power to initiate legislation is not and has not been given any committee, except with one memorable exception.

Back in 1945-46, when the legislation following World War II, had been amended, I think it was eighty-nine times by order in council, the government of the day did set up a large Veterans Affairs committee and charged them with the task of correlating that mass of orders in council with existing legislation and tailoring it, if I may use that expression, to fit the needs of the veterans of both World War I and World War II. On that occasion the committee was even encouraged to suggest legislation, the responsibility for which was, of course, assumed ultimately by the government. At no time since that time or before it, as a matter of fact, has this committee of the House been given authority to initiate legislation. The authority given to committees, has been to deal with matters referred to them by the House under terms of reference. Our present terms of reference do not refer to us the question of war veterans' allowances. That subject has not been referred to this committee for consideration. The question of pensions and the adequacy of pensions has been referred to this committee, rather than to the committee of supply, which would have been the normal procedure, in order to give us an opportunity to express our opinion on the whole question of pension legislation. It was given to the committee so that it might be fully discussed. Now, the delegation today have used it, as it was anticipated they would, as an opportunity to make representations on the whole question of pensions, which is quite proper, and we can consider these recommendations in relation to the item which is before us. That is to say, the representations allege that what we propose today is not an adequate allowance, and that we can accept or reject the instruction to us from Parliament. I do not think we have the power, even under the pension legislation, or even under this item to suggest an alternative; that would be to initiate money legislation, that is legislation that would involve expenditure of public funds.

Everyone realizes that the presentation which has been made before us is *ipso facto* brought to the attention not only of the minister who has attended here personally, but through him to his colleagues and to the Parliament of this country as a whole.

Whether or not legislation comes to this committee will depend first upon council and then upon Parliament. We are in no difficulty with respect to that, that I can see.

Mr. GREEN: We are, Mr. Chairman, if you are ruling that we cannot make a recommendation to the House that there should be an increase in the basic pension. I submit that you are quite wrong in taking a stand of that kind.

This whole question of pensions has been referred to the committee, both by means of reference of the vote of \$2 million and by means of reference of the amendment to the Pension Act. So I suggest you are quite wrong when you say we have not got the power to recommend that there should be legislation brought down to increase the basic pension.

The CHAIRMAN: I did not say that. If I had said that I would be in error.

Mr. GREEN: I understood you to say it.

The CHAIRMAN: I said that this committee has no power to recommend or to initiate legislation to deal with it. This committee may refer with commendation or otherwise the evidence which we have heard to the House just as any committee may which has the right to hear witnesses; but that is a different matter. We can say that the item before us is not satisfactory and we can recommend such and such a thing.

Mr. GREEN: I thought you said that we had either to accept this vote of \$2 million or reject it.

The CHAIRMAN: That is right.

Mr. GREEN: And that we could make no recommendation.

The CHAIRMAN: Not make an alternative suggestion.

Mr. GREEN: Well, if that is your way of recommending that there be an increase in the basic pension, I suggest you are quite wrong. I submit that if this committee wishes to do so, we can recommend that there be an increase in the basic pension; and if we have not got that power, then we should go back to the House and get it, and also get authority to make recommendations with respect to the war veterans' allowance.

Mr. QUELCH: I take it that we have the power to make recommendations regarding any amendments to the Pension Act?

The CHAIRMAN: I have not quarrelled with that. I said that we had no power to delete one item, and offer another in its place, but that we must deal with the item before us as is, take it or leave it. And having done that, if this committee desires to make a recommendation, with its commendation or otherwise, it is solely within the power of the committee to do so. I think that is what I said.

Mr. HERRIDGE: In support of my motion that we meet again at 11.00 o'clock tomorrow, I think we should take the opportunity of having the senior officials of the Canadian Legion present so that we can question them on the whole of this brief. We have already heard representations from the non-pensioned widows. I can see no objection to that. After we have had that meeting, tomorrow this committee can then deal with a resolution asking for wider terms of reference.

The CHAIRMAN: I assumed that we were in agreement. I was about to put the question when Mr. Gillis rose and inquired, in his usual terse way, whether it was worth while talking to these people.

Mr. GILLIS: I merely wanted to provoke your thoughts.

The CHAIRMAN: I agree that we have the power to call witnesses and to hear what they offer. All those in favour?

Mr. LENNARD: Mr. Chairman, I do not see why we should rush at this thing. I think the Dominion Secretary is quite capable of answering any ques-

tions we might wish to ask him. I would rather wait and hear the brief from the United Council of Veterans before getting too far ahead with what we think we should recommend in this case.

The CHAIRMAN: Do you move that as an amendment?

Mr. LENNARD: No. I was merely speaking against the motion, but, yes, I will move it as an amendment.

Mr. HOSKING: Mr. Chairman, there are several members who have made other commitments for tomorrow. Speaking personally, it is absolutely impossible for me to be here tomorrow, and it is impossible for Mr. Macdonnell to be here tomorrow. We will both be at some other meetings. Moreover, there is a march past at the airport at Centralia, and the members of adjoining ridings have been invited to be present by the Department of National Defence, so they have to be there. It is absolutely impossible for us to change firm commitments for tomorrow; it is something over which we have no control.

Mr. CRUICKSHANK: Mr. Chairman, I have been officially invited to open a Canadian Legion fête in British Columbia on May 24. So I take it that this committee will bow to that request, for such an important representative to be there to open that fête.

If you are going to arrange meetings, I would respectfully submit that this committee, if it is to meet the desires of individual members, will never operate. Just two days ago we had a meeting when a motion was brought up by Mr. Croll. He requested that it stand, in order that we might ask questions on that particular motion. So I think that Mr. Herridge's motion should stand.

Mr. CROLL: May I say with respect to Mr. Lennard's suggestion that there are two important bodies which come before this committee: The Canadian Legion and the group which is headed by Colonel Baker. They make important representations, and their representations come to us as a result of many years of experience. I for one want to have an opportunity to read the brief which has been presented to us this morning once or twice before coming to some conclusion. So I think we would be further ahead if we waited until we heard the other representations which are to be made to us next Wednesday. The secretary of the Legion will be in Ottawa. He will be back from his Maritime trip and we can continue to discuss the matter with him. I think there is something to be gained in doing that, rather than rushing into a meeting tomorrow. I think that Group Captain Watts will forgive us if we ask the questions when he is not here.

Group Captain WATTS: Certainly, Mr. Chairman.

Mr. CROLL: I think the committee has something to gain by waiting until we have heard both important representations.

Mr. GREEN: The main objective is that of questioning Mr. Watts and Dr. Lumsden. They are going to the Maritimes next week and then they are going overseas. So unless we question them today or tomorrow there will be no opportunity to do so. There is no point in waiting until other people make their representations and then to cross-examine everybody at the same time. We have never done that before. We have always finished with one brief and then heard another. So I would suggest that we carry on as Mr. Herridge has suggested. If we can have a meeting tomorrow, we will have a chance to examine both Mr. Watts and Dr. Lumsden.

The CHAIRMAN: Are there any further comments?

Mr. CROLL: Next Wednesday we shall have Colonel Baker's group here.

The CHAIRMAN: That is right.

Mr. CROLL: These two gentlemen will be in the Maritimes; but they will have a week between then and the time they go overseas. Could we not fix a date in the following week so that Dr. Lumsden could be here? That would satisfy everybody.

The CHAIRMAN: The following Monday will be our regular meeting. Are there any further comments?

Mr. QUELCH: Mr. Chairman, I cannot see why we should wait until the National Council of Veterans Organizations has come before us before asking these gentlemen questions. We will likely want to ask them questions based on their brief. I can see no reason why we should hear the other body before carrying on with this question. Later on, next week, we shall hear the National Council and then we will be in a better position to discuss the matter and arrive at a decision whether or not we are going to make a recommendation regarding pensions and regarding the war veterans' allowance.

So far as certain individuals not being in a position to be here tomorrow is concerned, that is unfortunate for them; but I do not see why the committee should not meet when those who can will come, and those who cannot come will have an opportunity to read the record of proceedings when it is printed.

Mr. JUTRAS: Mr. Chairman, naturally the main purpose of the meeting would be to question the senior officials of the Legion; but I submit that would be difficult for some of us at least even to do that tomorrow. The fact is that we have, for instance, a meeting of the External Affairs committee this afternoon, and some of us have other matters to be dealt with before we can go into this brief, which is a fairly long one. There is a great deal in it. I doubt whether we would be ready to deal adequately with this brief tomorrow morning, it being Friday. I would doubt if it would give a fair chance to everybody. Now, if it could be arranged for these senior officials of the legion to be here next week, or the week following, that would be preferable. I think, speaking for myself, that we would find it difficult to digest this brief in so short a time; to look up all the references related to it and so on. However, that is a matter of opinion. We could not deal with it quickly and grasp the whole thing. For those considerations, Mr. Chairman, I would much prefer, without wanting to cause any undue delay, to see consideration extended a little further.

Mr. CRUICKSHANK: Mr. Chairman, I would like to say another word. The last time we met in the Veterans Affairs committee—I think it was in this room—and we heard representations and had maps strung out along the wall here for about three months. What I am afraid of is that some other organization, and quite rightly, will be appearing before us and we will never get down to brass tacks if everybody is to be given an opportunity to be present and no one is to be embarrassed. However, that is not the point at all. There is no need for any fear about anything. We merely want to ask questions. What is available? Some of the tables are not clear. I do not expect to digest the whole brief myself tonight but I can get some of it, but if we have to wait two weeks before we question on this brief and two weeks on another brief it will mean that we will really never get down to work. I do not see any reason at all why we cannot get down to work on this brief tomorrow. It may be unfortunate that we are not going to have the company and the mature judgment of some of the members who are off on festival engagements in Toronto and Montreal tomorrow, but the rest of us can carry on.

The CHAIRMAN: I think the discussion has gone far enough for the committee to regularize its position. As far as I am concerned I am entirely neutral in the matter. I have to be here on Friday and I will be at your service. The motion moved by Mr. Herridge is that we sit tomorrow morning in order to question the legion officials. In amendment to that Mr. Lennard moved—

Mr. PEARCES: No, he did not move it.

The CHAIRMAN: I understood that he did.

Mr. LENNARD: I will make it in the form a motion to amend, if you like, Mr. Chairman.

The CHAIRMAN: All right, then. Mr. Lennard moves in amendment that we do not sit tomorrow morning, but that the committee should meet—would you specify a time?

Mr. LENNARD: Make it at the call of the chair.

The CHAIRMAN: As a rule the regular meeting would be called for Monday. Before putting that question there was a suggestion made first of all that—I just refer this to you, I am not advocating it—we might meet this afternoon, which has been the practice in the past as a general rule, but in that regard some of the members raised the objection that the External Affairs committee is meeting this afternoon at 2 o'clock. That is a fact. I belong to that committee myself and I should like to attend. I think I should point out, however, that that meeting will probably last about 10 minutes because it is merely for the purpose of organization; it is not a regular meeting. In addition to that it was suggested to me by one of the members of the committee that the committee might overcome this long postponement by sitting from 8 to 10 tonight. If either the motion or the amendment is objectionable then I think that suggestion would have to be additional to the motion and the amendment. The question is on the amendment. Would all those in favour please signify?

Those opposed?

I declare the amendment carried.

The CHAIRMAN: Group Captain Watts, would it be possible for you and Dr. Lumsden to be here Monday week?

Group Captain WATTS: I think Dr. Lumsden will be here. It will be impossible for me to be here.

The CHAIRMAN: We will adjourn until Wednesday afternoon at 4 o'clock.

The committee adjourned.

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SESSION 1951
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

CHAIRMAN—MR. L. A. MUTCH

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

WEDNESDAY, MAY 23, 1951

WITNESSES:

- Hon. Hugues Lapointe, Minister of Veterans Affairs.
Colonel E. A. Baker, Chairman, and Mr. J. P. Nevins, Secretary, National Council of Veteran Associations in Canada.
Major A. J. Wickens, K.C., Dominion President, and Mr. J. P. McNamara, Director of Public Relations, Army, Navy and Air Force Veterans in Canada.
Lt.-Col. J. McCamus, President, and Mr. S. Harpham, Chairman, Board of Trustees, Canadian Corps Association.
Hon. Colonel the Rev. S. E. Lambert, President, and F. O. Alan A. Bell, Capt. Allan Piper, Major Austin C. Bell, Messrs. Charles Nutley, Jim Parsons, R. M. Turner and T. Williams, of War Amputations of Canada.
Mr. William Correll, President, and Judge F. G. J. McDonagh, Canadian Pensioners' Association of the Great Wars.
Capt. F. Woodcock, President, and Mr. W. C. Dies, Sir Arthur Pearson Association of War Blinded in Canada.
Capt. John Counsell, President, Canadian Paraplegics Association.

MINUTES OF PROCEEDINGS

WEDNESDAY, May 23, 1951.

The Special Committee on Veterans Affairs met at 4 o'clock p.m., the Chairman, Mr. L. A. Mutch, presiding.

Members present: Messrs. Balcom, Bennett, Blair, Carter, Corry, Croll, Cruickshank, George, Gillis, Goode, Green, Harkness, Henderson, Hosking, Herridge, Jutras, Larson, Lennard, McMillan, McWilliam, Mott, Mutch, Pearkes, Quelch, Roberge, Stewart (*Yorkton*), Thomas, White (*Hastings-Peterborough*).

In attendance: Hon. Hugues Lapointe, Minister of Veterans Affairs; Colonel E. A. Baker, Chairman, and Mr. J. P. Nevins, Secretary, National Council of Veteran Associations in Canada; Major A. J. Wickens, K.C., Dominion President, and Mr. J. P. McNamara, Director of Public Relations, Army, Navy and Air Force Veterans in Canada; Lt.-Col. J. McCamus, President, and Mr. S. Harpham, Chairman, Board of Trustees, Canadian Corps Association; Hon. Colonel the Rev. S. E. Lambert, President, and F.O. Alan A. Bell, Capt. Allan Piper, Major Austin C. Bell, Messrs. Charles Nutley, Jim Parsons, R. M. Turner and T. Williams, of War Amputations of Canada; Mr. William Correll, President, and Judge F. G. J. McDonagh, Canadian Pensioners' Association of the Great Wars; Capt. F. Woodcock, President, and Mr. W. C. Dies, Sir Arthur Pearson Association of War Blinded in Canada; Capt. John Counsell, President, Canadian Paraplegics Association.

Mr. Lapointe welcomed the National Council delegation.

Colonel Baker was called, heard and questioned.

Major Wickens was called, presented a brief on behalf of the National Council, and was questioned.

Colonel Lambert and Capt. Woodcock were called and heard.

The witnesses retired.

At 5.35 o'clock p.m., the Committee adjourned to the call of the Chair.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

MAY 23, 1951.

The Special Committee on Veterans Affairs met this day at 4.00 p.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Gentlemen, I apologize for the moment or two of delay.

As you all know, the occasion of our meeting this afternoon is to hear the brief to be presented on behalf of the National Council. As we have become accustomed to expect, we have the National Council with us in force prepared to give us the benefit of their experience.

I think, perhaps, since this is the first time that the National Council has been before the committee since our present minister, the Hon. Mr. Lapointe, took over, that the committee would desire me to ask him to say a word or two. I now call on the Hon. Mr. Lapointe.

Hon. Mr. LAPOINTE: Colonel Baker and members of the National Council, I do not speak on behalf of the members of the committee because I am not myself a member of the committee but speaking as Minister of Veterans Affairs on behalf of the officers of my department and for myself personally, I want to wish you a very hearty welcome here today and to tell you that we are looking forward to hearing your views on matters which concern this committee and with which you have always been so intimately concerned personally.

The National Council as a group covers a pretty fair cross-section of the veteran population in this country, joining the army and navy, the amputations, the blinded, the paraplegics, and all the various groups. Your representations have been of very keen interest to the members of this committee and I am sure that we are all looking forward to hearing your views.

So, without further delaying the work of the committee, I leave it to the chairman to call upon whoever is to present the brief.

The CHAIRMAN: Thank you, Mr. Minister. Now, gentlemen, I propose to ask Colonel Eddie Baker, who is known to all of us, to introduce his delegation and to present their brief.

Colonel E. A. Baker, Chairman of the National Council of Veteran Associations in Canada, called:

The WITNESS: Mr. Chairman, Mr. Minister, and gentlemen: First of all may I express our very sincere thanks to you, Mr. Chairman, and to the members of this committee for your kindness in making this special appointment arrangement for us. I apologize for our inability to get our group all assembled at one place at one time on the earlier dates suggested. I hope we have not inconvenienced you too much.

Next, I want to express our appreciation for the kindness and the co-operation which have been shown us down through the years.

Our last appearance before a committee was in 1948. As things go, they have not remained static. There was some unfinished business as far as we were concerned, remaining over from the 1948 session, and things have happened since then which have made it necessary for us to appear before you again.

Now, before proceeding with any further remarks, I thought it might be desirable that I should have you know who we have here to meet with you today. In order to achieve that result with the least delay and disturbance, I am going to ask our six organizations in turn to introduce the members of their delegation. I shall start first with Major Wickens, President of the Army, Navy and Air Force Veterans in Canada. Major Wickens, will you introduce your group.

Major WICKENS: Captain MacNamara and Mr. J. P. Nevins.

The WITNESS: Next, may I call on Colonel McCamus of the Canadian Corps Association.

Colonel McCAMUS: Mr. S. Harpham, Chairman of the Board of Trustees.

The WITNESS: Now, may I call on Colonel S. E. Lambert, President of the War Amputations of Canada.

Colonel LAMBERT: Our group includes Austin Bell, Alan Bell, Jack Piper, Dick Turner, Thomas Williams from Montreal, Jim Parsons from Toronto and Charlie Nutley from Hamilton.

The WITNESS: I would now ask Captain Woodcock, President of the War Blinded to introduce his group.

Captain WOODCOCK: There is one other member of our delegation here besides myself, with artificial eyes. He is Bill Dies, our immediate past president.

The WITNESS: May I ask Mr. Correll, President of the Canadian Pensioners to introduce his delegation.

Mr. CORRELL: Judge McDonagh is here.

The WITNESS: I think, Mr. Chairman and gentlemen, that completes our representation. Oh, I am sorry. I almost forgot John Counsell, who represents the Canadian Paraplegics Association.

Now, Mr. Chairman and gentlemen, this is our delegation. We had a meeting some time ago after we had received the details of your order of reference and of the bills before you.

We debated the question of whether or not we should come forward at this time. But we finally decided that since you had always been very courteous to us and had always welcomed us here, that in consideration of your kindness and of the fact that you and we have a common interest, mainly the welfare of veterans in Canada and of the country as a whole, we are here today.

I am going to call on Major Wickens who by unanimous choice was selected to present in so far as it exists the formal part of our brief, and I am going to ask Major Wickens to carry on from this point.

Major A. J. Wickens, K.C., Dominion President of the Army, Navy and Air Force Veterans in Canada, called:

The CHAIRMAN: Gentlemen, I will ask Major Wickens, K.C. of the Army, Navy, and Air Force to present the brief.

Mr. GOODE: Have you got copies for us, Mr. Chairman, that we can have before the major starts?

The WITNESS: These are not copies of the brief, Mr. Chairman. They are copies of the recommendation we made to the minister last year. They contain the meat of our presentation, though.

The CHAIRMAN: Do you want to wait until they are distributed?

The WITNESS: I think we can go on with this in the meantime and it will be in the hands of the members by the time we reach that point.

Mr. Chairman, Mr. Minister, and gentlemen. I want to add just a word to what my chief, Colonel Baker, had to say. We did seriously, frankly, consider whether, in view of the limitations of your order of reference, there was any point in troubling you by coming here, but in the past we have had such sympathetic consideration from you, and in spite of the very hectic session three years ago out of that session came recommendations from your committee which were very much appreciated by the veterans bodies and I am sure, as you know, had the 100 per cent endorsement of all the people in Canada. From that we felt that notwithstanding the limitations of your terms of reference we owed it to you to show appreciation of your consideration in permitting us to be heard. We have given all the consideration we could to these matters and have come here in the hope that you, having heard us and considered the matter might persuade the government of the day to extend your terms of reference so that you can really be a Veterans Affairs Committee instead of a legislation review committee which, as I read from your terms of reference, you are at the moment.

Before going on with the brief, there is one observation I would like to make on Bill 288, section 17 (b). I have no doubt that some of the lawyer members of the committee will have observed this. Paragraph (b), section 17, as is proposed to be enacted by this bill, reads as follows:

(b) such medical advisers and other persons, including duly authorized representatives of veterans' organizations incorporated under The Companies Act, 1934 as may be consulted by or on behalf of the person whom the records or material directly concerns, in the preparation and presentation of an application for pension, and—

Well, now, the Army, Navy and Air Force Veterans and the Canadian Legion were incorporated by special Acts of parliament, and technically that will bar us from having a representative before the board spoken of.

Hon. Mr. LAPOINTE: That was not intended that way, I can assure you.

The WITNESS: No, I know. Probably your chairman will have observed that himself but I felt it was my duty to call it to the attention of the committee.

The CHAIRMAN: I think it would be sufficient to tell you not to worry about that because that was not the intent.

The WITNESS: Our brief is dated May 23, 1951:

The Special Committee on Veterans' Affairs,
House of Commons,
Ottawa, Canada.

Mr. Chairman and Gentlemen:

Our National Council of Veterans' Associations held its most recent meeting today to reach, final conclusions in respect to the representations to your committee.

All members were evidently deeply concerned over the restrictions in the order of reference under which this Parliamentary Committee is empowered to make recommendations. We have assumed, however, that in line with your practice in the past, that you may be willing to extend to us the privilege of mentioning matters that may not fall actually within the terms of reference, but that may be pertinent to the welfare of the Ex-service men of this country in which both you and we are so keenly interested.

We have given consideration to the representations that have already been made to you by the Canadian Legion of the British Empire Service League in relation to representations which our Council and member

organizations have made in years past, and more particularly our presentation to the Honourable, the Minister of Veterans Affairs on December 20th last.

We must admit that the proposals of the Government and the limited order of reference have done more to produce unity of thought and action among Veterans' organizations than any other single factor.

We are, therefore, in a position today to advise you that by unanimous resolution, the member organizations of our National Council, as represented at our meeting this morning, agreed to support in principle the Canadian Legion presentation of May 17th to your Committee. Whilst there may be some differences in opinion with respect to detail, we have felt that the best interests of the veteran and of the country can most effectively be served at this time by agreement.

We are herewith presenting to you a copy of our presentation made to the Honourable, the Minister of Veterans Affairs on December 20th last, from which you will gather in detail our opinions at that time. In general, however, we would represent our position today in the light of our attitude in the past as follows:

We, as responsible citizens and ex-servicemen recognize the authority as well as the responsibility of government. Our position today is that of offering our co-operation and our advice based on experience. The position of this committee and particularly of the government is to accept the responsibility of dealing with the problems of veterans as now being discussed and of making fair and just provisions, having in mind the interests of both the veterans and the country.

Now, with your leave, Mr. Chairman, I will make one reference. There is not a great deal of comment we can offer on these bills that are before your committee, but we do want to express our appreciation to you, sir, and, through you, to the minister, for two items which appear in the bills before you. They are included in our brief which was presented to the minister last December. One of the items is that dealing with paying to widows with orphan children the same rates for the maintenance of those children as are paid to orphanages. We appreciate that and are glad to congratulate the minister on its being adopted. The second one is the advancing of the deadline in connection with the late marriages of veterans of World War I. We congratulate you, sir, on having accepted that recommendation. Both of these items are now included in the legislation before the committee.

Now, apart from that, sir, our representations have to do with things outside of the strict reference to your committee. I was hoping when the reference was made that it would have a general saving clause to cover such other things as may be referred to you. As a matter of fact, in talking to my good friend, the honourable member for Winnipeg South, Leslie Mutch, who is the chairman of this committee, when I met him in Toronto a few weeks ago—when he did us the honour, by the way, of accepting honorary life membership in our association, of which we are very proud—I got the impression then, that he was in the hope that that same saving clause would be in the order of reference, but, gentlemen, it is not. The order of reference reads in that regard “and such other legislation as may be referred to it”, and, before anything else may be referred to you, it must be presented to the House in the form of legislation. Now, I trust you will permit us to depart from the matters that are set out in your order of reference, because if we cannot, there is not very much we can say to you. We want to say things to you in the hope that arising out of those things may come an enlargement of your order of reference to permit you to review the affairs of veterans as relating to them and to the welfare of the country generally. I think perhaps at this stage

I had better read to you the submission of which you now have copies so that it will be incorporated into the record. This is the submission as it was made to the minister last December.

NATIONAL COUNCIL OF VETERAN ASSOCIATIONS
IN CANADA

SECRETARY

Suite 27, Central Chambers,
Ottawa, Ontario.

December 20, 1950.

Colonel the Honourable HUGUES LAPOINTE,
Minister of Veterans Affairs,
Ottawa, Ontario.

SIR: The National Council of Veteran Associations in Canada, established in April 1943, includes the following member organizations:

Army, Navy and Air Force Veterans in Canada
Canadian Corps Association
Canadian Paraplegic Association
Canadian Pensioners' Association of the Great War
Sir Arthur Pearson Association of War Blinded
The War Amputations of Canada.

All member organizations of the Council are represented at this meeting.

In the Spring of 1948 a substantial deputation from this Council met with the House of Commons Committee on Veterans Affairs, first in March, and again in April for the purpose of discussing war disability compensation rates, also allowances for dependents, hospitalization, and housing. The last occasion on which a delegation from this Council visited Ottawa was on March 27, 1950 when we met with the Honourable Milton Gregg to discuss mainly, hospitalization non-entitlement conditions.

The purpose of the present conference with you is first, to meet and become acquainted since we look to you for guidance and assistance in the solution of problems affecting ex-servicemen and their dependents; and second, we wish to present the results of our considered opinions and unanimous agreement in respect to the basic rate of war disability compensation (pension); allowances for dependents; assistance for those in receipt of various grades of war disability compensation who are proven unemployable and may be aided through war veterans allowance, and hospitalization. Our primary object has always been to negotiate a solution of problem and hardship cases, within available legislation through administrative channels. When we have been forced to conclude that solutions cannot be found administratively under existing legislation we have been reluctantly forced to reconsider policies and even legislative provisions.

In 1947-48 we made a complete presentation to the House of Commons Special Committee on Veterans Affairs. At that time we were impelled by first hand evidence to seek increases in the basic rate of war disability compensation; allowances for dependents; and war veterans allowance in particular. The standards of living were substantially better than in 1939 or any earlier date. The cost of living index stood at 152 points, and basic rates for the disabled and their dependents had been unchanged since 1924—that is for a period of twenty-four years.

With both the standard and cost of living increased in the two and one half years since the Spring of 1948, we now wish to present resolutions

which embody our unanimously agreed opinions on the items dealt with in this presentation. We trust that you and your senior administrators may see fit to advance our requests and alleviate the problems of those whose needs are comprehended and for whose problems we seek solutions.

Recommendation: That the basic rate of war disability compensation (pension) for 100 per cent disability be increased from the present \$94 per month to \$125 per month.

That, you will observe, is the same as the Legion representation. While we agreed to their brief as presented to you I might add, with the exception of the comments on the current legislation before you, that resolution upon which their brief was founded was passed at our annual meeting in Winnipeg last September and adopted and passed at their convention which followed the following week.

Comment: By the Pension Act of 1916 the 100 per cent war disabled private was given war disability compensation at the rate of \$50 per month. About the end of the war this was supplemented by a cost of living bonus amounting to \$25 per month, totalling \$75 per month, and hence levelling up to the war disability compensation award to a lieutenant, similarly disabled. This rate was applicable up to the Spring of 1948, when, due to substantially improved living standards, and the reduced purchasing power of the 1939 dollar, the new rate of \$94 per month was adopted. In the course of our representations early in 1948 we had consistently requested \$100 per month, or \$1.00 for each 1 per cent of disability. At that time the standard of living was substantially higher than in 1939 and very much higher than in 1918. We predicted that the cost of living would go to 160 or more. We were told that it would be shortly back to 140 and that the new rate would be considered in relation to that level.

That is, members of the committee including the chairman, at that time offered those opinions. The point in mentioning that is that we assumed from the observations that were made that the \$94 was established on the basis of a cost of living index of \$140 or an anticipated reduction in the cost of living index to that figure.

The general standards of living are somewhat higher than in 1948 and the cost of living is nearly twenty points higher. In the present day labour market the average common labourer who receives less than \$125 per month is considered to be underpaid. We find it difficult to accept the view that the 100 per cent war disability, up to and including the rank of Captain, should be expected to subsist on a subnormal standard of income and living. We believe that a soldier facing the enemy in the service of his country fights best when imbued with conviction of the justice of his cause and freedom from insecurity for the future in the face of possible disablement. There is ample evidence of the desire of the ex-serviceman to exert to the utmost their limited strength and capacities to work and supplement war disability compensation. There is also ample evidence that some are so weakened by wounds and/or ill health due to service that they are unable to secure or follow up any regular or part time employment. These are the men who suffer most both in body and spirit. These are the men who need our sympathy and a fair measure of subsistence so richly deserved from their comfortable fellow country men.

With your permission I will read the recommendations and make what comments I wish to make later.

Recommendation: That the rates of allowances for wives and children dependent on war disabled, be increased in accordance with our representations in 1948 as follows: Allowance for wife be increased to \$35 per month; for the eldest child to \$20 per month; for the second child to \$16 per month; and to all other younger children to \$12 per month.

Comment: Our request in this instance is that the allowances for these dependents should be brought up to the level requested in 1948 as a matter of completing unfinished business."

Item 3 as I have already mentioned has been adopted and implemented by the bills before you.

Recommendation: That the pension for widows of the war disabled, especially in the case of those who by reason of age or ill health are unable to work and supplement pension, and those responsible for the care of children under age, should receive an increase proportionate to the increase in the basic rate of pension as requested.

Comment: It is considered that widows falling within the special categories referred to in the recommendation, suffer certain hardships due to inability to supplement income through earnings because of age, ill health or the very necessary care of young children whose welfare is a first responsibility.

Recommendation: That pensioners in classes one to eleven of the Canadian Pension Act be entitled to free hospital treatment for conditions other than those for which they have entitlement.

Comment: Since the minority of the war disabled group are in pension classes one to eleven, and since a much higher percentage of the unemployable fall within this group, and since classes one to eleven have been recognized as the group most likely to experience illnesses, the relationship of which to entitlement conditions may be so obscure as to make definite establishment of entitlement impossible; we believe that the principle establishing entitlement of widows of pensioners in classes one to eleven to pension in respect to death at any time from any cause, should be extended to provide for treatment of war disabled in classes one to eleven for any condition at any time, without charge.

Recommendation: That section 45 of the consolidated Canadian Pension Act be amended by the addition of two words 'or resident' after the word 'domiciled'."

I am sure, Mr. Chairman, lawyer members of the committee will realize the significance of that. A Canadian pensioner may have lived in Canada for fifty years and still not be domiciled here. We assume it was the intention of the draftsmen of the bill who used the word domiciled to use it in the ordinary colloquial sense as "resident". However, actually "domicile" has a far more reaching meaning than "resident". A man may, as I have stated, reside in Canada for fifty years and yet be domiciled somewhere else.

I do not think I need read the comment although the comment does give the case of a man who suffered seriously because he could not qualify as being domiciled in Canada.

Recommendation: That war disabled ex-servicemen in receipt of pension, any class, who have become unemployable, shall be entitled to war veterans allowance with complete exemption of pension, any class, in so far as income requirements of the War Veterans Allowance Act are concerned.

Comment: War disabled ex-servicemen must endure disabilities in respect to which they have specific pension and at the same time suffer all the effects of wartime hardships resulting in pre-aging, etc., as described in the War Veterans Allowance Act. For these reasons we believe that where all other means fail, war disabled cases should be entitled to a reasonable degree of comfort and security through the enjoyment of war disability compensation and war veterans allowance undiminished.

All six member organizations of this National Council as listed in the preface of this submission unanimously support the recommendations herein contained. We believe that in the fulfilment of our obligations to the disabled ex-servicemen of this country, that our recommendations, if adopted, would serve to relieve the hardships and worries of many, while strengthening the good-will and confidence of all ex-servicemen in the department of Veterans Affairs and the Canadian Pensions Commission.

We will appreciate your consideration and co-operation in this effort.

Now, Mr. Chairman, before proceeding with my extemporary remarks, may I make this quite clear, referring to the last part of the last paragraph I have just read to you, that it is the farthest thing from our mind to offer any suggestion or hint that there is any lack of confidence either in the D.V.A. or the Canadian Pensions Commission. That might be deduced from the wording of that phrase, but speaking for my association and those who are associated with us in the National Council of Veterans, we have the highest appreciation of both the D.V.A. and the Canadian Pensions Commission and absolute confidence in their intention to do everything within the four corners of the Act and regulations for the veteran. That is their due. To my personal knowledge they have done in many cases, great work far outside the technical requirements of their duties in order to try to bring about the rehabilitation of the veteran and make life worth while for veterans.

Dealing then with those presentations which were made last December, you may feel that this unemployability provision that is before you meets the case of our recommendation dealing with war veterans allowance.

Mr. CROLL: Yes.

The WITNESS: We support, gentlemen, as I have told you, the Canadian Legion protest about the unemployability grant—not entirely for the reasons expressed by the Canadian Legion in their brief. One of the big objections to it is this, you know, you may know, all veterans do know that the one thing the veteran prides himself on, the one thing that the veteran has is his sense of independence and his willingness to make a sacrifice for principles, and the suggestion that he is unemployable carries a certain stigma, or so he feels. It is true there are some features in this proposal which, to some extent, are an improvement on the war veterans allowance scheme in connection with what income they may have apart from earnings; but as far as we are concerned, Mr. Chairman and gentlemen, the practical way to deal with the matter would be to take those good things that are desirable in this scheme and engraft them upon the war veterans allowance scheme and let us have one scheme of war veterans allowances throughout which the test of eligibility will be the same. I am speaking of what is known generally as the means test. As I understand from my discussions with the deputy minister and the chairman of the pension commission this morning there is no means test to the extent that it is apart from earned income under the unemployability grant. There is a second point under the war veterans allowance scheme, a recipient is entitled to free hospitalization in a veteran's hospital for any disability, war induced or not, and at the present

time under the unemployability grant he does not have that benefit. It may be that on reconsideration that benefit may be given, but at the present time it is not included in the proposals.

The CHAIRMAN: It has not come here yet. It has been suggested, but it has not reached us yet.

The WITNESS: It is in the estimates of the department in that item of \$2 million, which is for that purpose, I understand.

The CHAIRMAN: That is right.

The WITNESS: We feel, frankly and plainly speaking, that the fewer funds and classifications we have the easier it is going to be to administer and the easier it is going to be to understand and explain to former comrades for whom I speak and who number well into \$300,000—

The CHAIRMAN: Pardon me, you mean numbers, do you not?

The WITNESS: Yes, numbers. If we had \$300,000 we would probably be making a grant to your committee.

The CHAIRMAN: We would accept it.

The WITNESS: I am speaking for all of them. We feel that this unemployability grant is a mistake. It is another classification and will only make things worse. We have enough trouble now making veterans understand the classifications that already exist and we can see no good reason why the good features of this unemployability proposal cannot be engrafted upon the war veterans allowance and war veterans allowance extended to include those for whom this unemployability proposal has been offered. On behalf of those for whom I am speaking and with whom I am associated I wish to say that we appreciate all the thought and consideration and the intention to do something for the welfare of the veterans which lies behind this scheme, but one cannot always accept good intention for the act, and we firmly believe that a greater amount of good can be obtained by an extension of the war veterans allowance rather than by the institution of that new provision of unemployability benefit. Now, the really important matter that we have to deal with today is that we would like to see some implementation of these recommendations, most of which speak for themselves; the really important matter is the powers of this committee. The proposal to increase pensions, which is our principal recommendation, is a matter over which at the moment you have no authority. But I do believe, that this committee of veterans acting through all political parties, sitting here first as Canadian citizens, second as veterans and only last, if at all, as members of a political party, wants to do what is fair and what is just and what is right for the vast veteran body of this country. And I firmly believe that if you gentlemen make a unanimous request to the government, that your order of reference be enlarged to enable you to deal with veteran problems in all their aspects that the government not only will agree—I do not think that any government would dare refuse such a request.

One of the things that has struck me as a lawyer time and again in dealing with Veterans Affairs is the instinct to say no, no matter what the request is, and every year that we come up here, every time that we have an opportunity to come and present our views to the department or to a parliamentary committee, we are faced with that same stone wall, the verdict being given before we can submit the facts; and that seems an astounding thing to me because it is one of the elementary principles of British justice that nobody is going to be condemned without being given a chance to answer the accusation and nobody is going to be convicted or have his case disposed of without being heard.

Now, the representations that we made in December last about the rate of pensions, and I feel quite confident in making this statement, that there is

not a member of the committee in this room who for a moment feels that \$94 a month for a totally disabled veteran is anything more than peanuts.

Mr. CROLL: Quite right.

The WITNESS: While we were making our representations to the government, the government decided to appoint a Veterans Affairs committee, but in appointing that Veterans Affairs committee it apparently did not include the representations we made to them at the time; in other words, our case has been judged in our absence. In this case, we feel that the government, who was the defendant, also happened to be the judge, our case was judged in our absence. We feel that we should have had an opportunity of going before the jury—this committee—a jury of those responsible for the consideration of matters of this kind.

For that reason, I do not think it is fair, when we have our soldiers fighting in Korea, to have to tell them that our government is acting in this cavalier manner in dealing with a definite request from the finest citizens of this country, which the veteran body is. They would wonder what they are fighting for, and I would have read and wondered what I was fighting for. Sometimes you are led to believe, sir, that the liberties and privileges and benefits of democracy for which we fought were fought for the benefit of somebody else rather than for ourselves, and I do not think it is fair. And in making that statement I am not saying that the government deliberately did what was unfair. The government of Canada today has a terrific job on its hands; it has the war it is helping to fight in Korea; we are equipping a force to stand guard in Europe to prevent another war; then the government has all the affairs of Canada which are much more complex today than was the situation faced by the government 15 years ago; it has a very definite duty to safeguard the public exchequer from raids; and sometimes, to be perfectly frank about it, I wish to God they would be as careful in other directions as they are in the Department of Veterans Affairs in that respect.

It seems to me that there are two grounds upon which this committee, or a similar committee appointed for the purpose, should be given a free hand to investigate the entire situation of veterans affairs in Canada and make recommendations to the government in that respect; one is the elementary justice of the case and the other is on the broad principle of humanity for which we say we fought, us older fellows, 30 years ago, and for which our sons and grandsons fought in a more recent war, and for which others of our sons and grandsons are now fighting again.

One of the big problems in this country, Mr. Chairman, and gentlemen, is the question of subversive activities. Incidentally, while it has nothing to do with this committee, I am engaged now in a very interesting correspondence with the Honourable Mr. Harris who was a member of this committee three years ago, on the matter of allowing Yugoslav Commies to return to Canada unchecked.

I do not know what the outcome is going to be, but it is a responsibility. That is one of the things that veterans organizations do. They assist the government in watching that sort of thing. What better ammunition can you give those people than to have them look around at their neighbours who went away and fought for five years or more, some of them, and returned home crippled, and to realize that when the man next door to them is sweeping the streets and digging ditches—both of which are honourable professions; I have done them both, so I know whereof I speak—I am not being derogatory of the man who has to do that work; we have to have it done—but he sees his neighbour who is sweeping the streets and digging the ditches receiving 50 per cent more pay than does the 100 per cent disabled veteran.

When that boy goes to his labour meeting and hears the head of the local communist cell tell what communism is doing for the working man in that

country—something he has no way of checking himself—I would like to ask you what answer I am going to make if I am called on to speak to these people. There is not a word I can say. As I told your committee three years ago that while I served for two and a half years in one war, and while my three sons and both of my sons-in-law served in World War II, none of us happen to be pensioners. So my interest in this matter is merely that of a taxpayer and as a citizen who wants to see justice done to our veterans.

One of the important things about our request for an increase in the basic rate of pension is the statement made three years ago before the House of Commons committee, that it was anticipated that the cost of living would be reduced, that the cost of living table would go down to about 140 per cent of 1939. The rate of veterans pension was dealt with on that basis.

But the last figure I got on the 1st of April this year from the Dominion Bureau of Statistics showed the cost of living index to be 181·8, that is, 41·8 per cent above the basis upon which we were led to understand the recommendation of the last parliamentary committee was made.

Now, in ordinary labour, in ordinary industry where organized labour is active, most of them have an arrangement by which, every time the cost of living goes up a certain amount, they get an increase in pay as a cost of living bonus.

Is there any working man in the Dominion of Canada today whose wage was fixed when the cost of living was 140, whose cost of living bonus has not been adjusted very substantially to meet the present rate of 181·8?

The only wage earner in my view—the pensioned soldier is a wage earner in that he earned it by giving part of his body, part of his health and part of his life—who is not getting an increase in wages due to that 181·8 increase.

I know that you cannot do anything about it unless you make a recommendation to the government that your order of reference be opened to enable you to deal with veterans affairs generally.

As some of you may know, I had the very onerous duty of sitting on the conciliation board and trying to deal with the railway dispute of a year ago. And when the recommendation of the majority was not accepted and when the recommendation of the minority was laughed at—which was myself—the government called a special meeting of the House of Commons to deal with it. Then a special bill was passed to give these men some relief. But in the final analysis the arbitrator who was appointed, thank God, had sense enough to see the justice of the minority report, and that is his decision which is now in effect.

We are not asking for a special session of parliament to pass special bills to do something for the veterans. What we are asking is that the government appoint a committee of the House of Commons to deal with the veterans, that the committee should not be hamstrung, and that the committee should have power to investigate whatever needs investigation and consideration in connection with veterans affairs.

If we are not to get these things and to treat our veterans fairly, what in the name of God are we trying to fight aggression for somewhere else? We are spending money enough in a just war in Korea to take care of any expense that it would cost the government.

I am entirely in agreement with what we are doing in Korea. Make no mistake about that. But I think there is little use in fighting aggression, especially in a foreign country, if we are not going to do something to fight it in our own land.

Our association and the other associations with which we are affiliated in the National Council I think have established a record which will permit of no controversy. It is a record of not placing veterans affairs before the welfare of the country. We are not exchequer raiders. We have yet to make what, in my opinion, is an unreasonable request.

There have been times when we felt that the treatment which our requests received was not reasonable, but we have never made that statement public and we do not intend to make it public because we realize the fact that those who are charged with the administration of the affairs of this country have got a lot of other things to do besides looking after the veterans.

But there is one certain fact, that if it were not for the veterans, we would not have any damn country to administer. I refer to those men who fought and paid the price, who not only lost an arm or a leg, but who lost a substantial part of the enjoyment of life, such as the ability to go out and play games, to hunt and fish, and to do other things which most of us like to do, who suffered pain and suffering and who suffered a shortening of the expectation of life, which is a familiar phrase to all of you lawyer members of the committee, and one of the substantial things for which they award damages in a civil action for wrongful acts.

But for none of these things are we asking compensation. We are simply asking that the man to whose heroism we owe our liberties and privileges will not have to live on the lowest level of decency, on the present pension.

There is not one person in Canada who would object to our request, and I make that statement advisedly because I have been all across Canada several times in the last two years. I have yet to meet the first person who is not aghast to find that a 100 per cent pensioner gets only \$94 a month. How can he live on it? I do not know.

I would like some of those who feel that they are not entitled to any further assistance to tell us how it could be done. I know that in dealing with the matters that come up before the House there is such a thing as a party line and that sort of thing.

I know when an opposition member rises in his place and speaks, there is a tendency to discount what he has to say because he is an opposition member. And I know that when a government member rises in his place to speak, there is a tendency on his part to tone down what he would like to say because he knows he is a government member.

I am going to make to you the same appeal that I made to the committee three years ago: That in dealing with this matter, you should be veterans and not members of any political party. There is no reason why political principles should enter into this question.

No man should say anything here in the hope that his party would gain something out of it.

It is a presumption doubtless on my part to say things like that to you gentlemen, but I have been a politician in my day—that was before I saw the light, Mr. Mutch—and I know something of the pressure which is brought to bear on a member. But this is a matter of conscience and there is no political issue involved.

Now, I just want to mention one more matter to you. It seems to me an astonishing thing that our government can announce that it is going to the Imperial Parliament to seek an amendment to the British North America Act in order to enable it to give \$40 a month to every man and woman in the country who is 70 years of age or over. From the millionaire down to the pauper everybody is going to get it, and yet they are so niggardly when a veteran wants a living wage. If we have the money to pay \$40 a month to George McCulloch and others who certainly are in no need of it under present conditions, we ought to be able to spend the money necessary for paying a living wage to veterans. That is the problem. I know you cannot do anything about it as you stand except that you go to the house and make a unanimous request for an extension of your order of reference. If you do that and they turn you down you will have done your duty, just as we have done ours by coming here and presenting it to you.

I do not feel that there is much more that I can say to you. There are some very pointed things I could say but you are all veterans and I am quite sure you have thought of them in the vernacular the same as I have done, so I need not tell you them, but I would strongly urge that you recommend to the house that you be given a freer hand. Then my association would wish the opportunity when you reassemble on that more happy day to be given a chance to discuss with you the things we feel need to be brought up. There is need for a Veterans Affairs committee to consider veterans affairs, not to consider indicated pieces of legislation. We appreciate the fact that this legislation is brought forward but we do not feel it is sufficiently important to warrant taking you from the sessions and debates in the House to sit here and deal with these bills when they can be just as well dealt with in committee of the whole where the bills will have to go anyway.

Before I take my seat, if any member wants any more information I will only be too happy to answer any questions.

There are one or two others, Mr. Chairman, who would perhaps like to say something from the viewpoint of their particular associations.

The CHAIRMAN: Thank you, Major Wickens. I understand, Colonel Baker, from what Major Wickens has said, that one or two others of your delegation would like to speak to the committee. I propose with the approval of the committee to continue our practice of hearing all of the delegation who wish to speak and then to give members of the committee an opportunity to question them. Perhaps you would designate whom you would like to speak next, Colonel Baker?

Colonel BAKER: Possibly Colonel Lambert.

Colonel, The Reverend S. E. Lambert, President of War Amputations of Canada, called:

The CHAIRMAN: Come on up, Colonel, where the members will not have to turn around to see you while you are speaking.

The WITNESS: Thank you very much, Mr. Chairman, and Mr. Minister. It is a disappointment to me to come here. It has been my privilege on previous occasions to come here as dominion president of our organization ever since its inception, and for thirty-two years now, I have been the dominion president of the War Amps of Canada representing the sightless, the armless, the legless veterans of the first war, and of the second war, and now of the third war, for we already have amputations from Korea. I came with mixed feelings today. It is always left to me to sort of make a passionate appeal on their behalf but I have lost heart to come here to talk to people who are supposed to be able to do the things that are necessary and when we come we find you are so restricted in your thinking that it is useless for us to say anything about it. You bring in this supplementary allowance; it is not a bill but it is some kind of an estimate, and we consider this as another contribution to the poverty of the veterans, I would say, and we do not like that. We like to have things by right, and pensions are by right. Our fellows regret very much the reference which is made here and actually we did not want to come at all, in fact, they had to drag me here to get me here today, and I do not like that. I am sorry that things are so that we cannot make the regular appeal that I usually have to make. After all we were given the job, in co-operation with the government and the Department of Veterans Affairs, to take these disabled fellows as they came back from two wars and try and fit them in some place, and that is what we have tried to do. Our job in our organization has been to fit them—fragments from the wars—into places where they can still continue their service and be able to do a little job. Now, that is what we have tried to do and have tried to do it well, and most of

them by luck and by the kindness of the dominion government and the provincial governments and civic governments and by the graces of good firms, have been fitted into places where they can maintain a very high standard of self respect at least. I do not know what you want to make them. If you want to make them all paupers, go ahead. We do not like it; we are not approving of it anyway. That is how the amps feel about it. We are talking to you about fighting men, about men who have been in contact with the enemy in two wars and now in three wars, and I feel somehow that Canada owes them a great deal more than she thinks she does. We are trying to get them out of the poverty class. We are trying to keep them sweet and kindly in this country and this suggestion is something that makes me see red, and I hate to see red, I really do. I consider myself one of the patriots of the country and I try to perpetuate the patriotism that made these veterans go to war. I feel we have been let down pretty badly. We appreciate that you are trying to do something for widows who are bringing up children. You cannot expect a widow to do much on the previous figure of \$65 a month and the new proposed figure of \$75 a month. You cannot expect her to do very much in these days—if you want to buy a bit of steak now it costs you about a quarter of your pension. How do you expect them to carry on? I am glad you are trying to do something for some of these children by giving the widows orphanage rates. I am glad, and I like to say that for these widows; but there are a lot of other widows, widows who wear the silver cross in Canada and they are becoming aged people, as we are becoming aged, and there is not much field for them in which to find opportunity, and we hope that you will raise not only our basic rate, but theirs. We do not want any handouts. As far as I am concerned you can keep it, but make the basic rate what it should be and then we will know where we stand. That is how we feel about it. If you base the thing on the cost of living and we find that the cost of living is away up then the proper thing to do is to raise it in accordance with that cost of living figure. I may say that we are grateful for what we have had, we are grateful for the opportunity to do something with these fellows, we are grateful for what you are doing for the widows and I would ask you not to forget the other widows who have no children, who are battling their way through life trying to keep up a measure of self respect. There should be more done for them. That is my great concern. The widows, as I told you before I love widows. Some of you perhaps do not know, but I do. I have great regard for them, because I know the pathway. What would have been their chance in life if he had come back? If he had not gone at all. That is the status. You should have a means test for the fellows going to Korea. There are none of those fellows going to Korea who get \$75 a month. It is not fair to ask widows if they die over there to live on \$75 a month when people don't live on that these days. That is the important part.

Then I see you did something for the Board of Pension Commissioners. I would have left that out of our bill if I had been you. That is a nice gesture on the part of somebody to give the chairman and the rest of the pension commissioners something—putting them in the class you are putting them in. You are putting them up in an area that they will not know how a veteran lives if they get \$11,000 or \$12,000 a year. They will never know that. Perhaps they are worth it. We have had the best possible service from the Board of Pension Commissioners and the departmental officials, but when you put that in a bill and say that you are paying all this money to them and then only offer a widow \$75 a month, it does not quite jibe in so far as we are concerned.

I am severely critical today and I am sorry I am. Instead of being a real fighting man for the things of right, I have come to be a pacifist. If you let me down any lower I will be a Red and that is the worst thing that could happen to me. You expect us to enthuse the young lads. I sent my own off,

as Major Wickens sent his; as Eddie sent his own and his own did not come back. We know something about sacrifice but believe me, if in this country you are going to ask the young men to sacrifice in the name of the richness of liberty then, for goodness sakes, take care of them when they come home—if they ever do come home.

I feel very deeply about the whole business today, Mr. Chairman, but I do appreciate the honour and privilege of coming before you.

We used to sing "Chubby" Power, when he was in this committee, a little song. You know the song we used to sing:

Oh, give me something to remember you by when you are far away.

Thank you very much.

The CHAIRMAN: Colonel Baker, have you anyone else?

Colonel BAKER: I think, Mr. Chairman, that we have said pretty well what we need to say. I think we might leave it now and there may be questions which members of the committee might care to ask or that you have in mind, sir. We might call on whichever member of the delegation might seem most suited to answer.

The CHAIRMAN: Thank you, Colonel Baker.

I think before we begin questioning that the committee would wish me to thank you for the type of brief that you have presented. We expect your organization to come before us in sincerity and with thoughtful proposals. Individually, or in the committee, we do not always expect to agree 100 per cent with all that comes from the various members of your committee. Therefore, perhaps it is a piece of impertinence for me to thank you in general for the restraint which you have shown in presenting the views which I know you hold very strongly.

I am quite sure in that spirit you will have gained the interest and the sympathy of the committee—and don't tell me, Padre Lambert, that you cannot stand sympathy for you are a great purveyor of it. I think I ought to use special terms to refer to the presentation of Colonel Lambert. He usually belabours the committee and me in particular, but today he was very gentle.

I do not intend to say any more at the moment but, in accordance with past practice, questions from members of the committee will be welcomed by Colonel Baker and I am sure that those with him will seek to answer.

Mr. HERRIDGE: Colonel Baker, I am not quite clear on your representations this afternoon. Do they indicate that you first of all wish a basic increase in the pensions, and then, that those who are assisted in many respects—or entitled to be assisted under this system—should be assisted through an improvement in the war veterans allowance?

Colonel BAKER: That is correct, sir. You see, we made a comment in our brief that we dealt with it from the war veterans allowance standpoint. These pensioners have reached a point where they can no longer through earnings supplement their pensions. I think it has been generally recognized from the outset that the pension was never intended to equal the average anticipated earnings of the man if he had not been disabled. It has been frequently referred to from this angle: that fear has been expressed that if the pension were made too large it would destroy the ambition to work and earn and supplement. From both sides I think the argument points to the fact that the pension is something less than the average normal standard of living that the average citizen might reasonably expect to enjoy.

Major A. J. Wickens, K.C., Dominion President of the Army, Navy and Air Force Veterans in Canada, recalled:

By the Chairman:

Q. I have a question to ask Major Wickens. In his extemporaneous remarks—and he repeated this on numerous occasions—when comparing pension and wages he spoke as though the pension was designed to set and establish a standard of living. That is of course a new principle in pension legislation and I wondered if that is what he meant to suggest?—A. No, I did not mean to suggest the pensioner should receive the standard of living that he would receive if he was active and uninjured and working at his ordinary trade or profession. I did mean, however, and I repeat, that a pensioner is entitled to a standard of living that he does not have to be ashamed of or to be too niggardly with. I do not think any pensioner asks for that. He fought and offered himself knowing that he was going to make sacrifices. Perhaps sometimes the lucky one was the one who made what we call “the supreme sacrifice” because his troubles were ended then. But the pensioner did not expect to come back and have to live a hand to mouth existence on a pittance on which it is impossible to live. I do not wish to be understood to say that pensions should keep pace and be on the same level as the ordinary earnings of the industrial worker, but the increase in pensions should keep pace with the increases granted to industrial worker—because the pensioner has to live in the same expensive country as the industrial worker.

Q. I asked that because on various occasions your organization has recommended that the word “pension” should be changed to “compensation” and I think you have argued before this committee that a disability pension is in fact compensation for physical or mental damage. It seems to me, as I understood what you are suggesting now seems to deny the validity of your original submission to substitute compensation for damage?—A. The compensation for damage has got to be on a basis that a man can live on it or you might just as well not give it to him in the first place.

Q. That removes the analogy of workmen's compensation?—A. Not necessarily. I think it was Colonel Baker, to be strictly accurate, who used that analogy. I, as a lawyer, should not have used it because you usually only get 70 per cent or 75 per cent of the wages a man was receiving when disabled under workmen's compensation. I have used the comparison of the compensation that one could get if he had received the same injuries in a civilian accident, and I have named five or six other losses for which the wrongdoer could be made to pay. The only one that enters into a damage claim and which a veteran is asked to recognize is simply his loss of means of livelihood. We do use comparisons between increases in wages in industry because the reason for this recognition is the improved standard of living and the increased cost of living. The same circumstances which would warrant an increase to an employed man warrant an increase to a veteran—more so, because the higher the cost of living the worse off veterans are because veterans are in a low living bracket.

Mr. McMILLAN: I understand it has been the feeling of the meeting that they support in the most part the submissions in the Canadian Legion brief?

The WITNESS: That is right.

Mr. McMILLAN: Except they differ in some details. What are the details?

The WITNESS: Well, the detail we have not considered extensively Mr. Chairman, and Doctor McMillan. There were some observations about means test applicable to this unemployability allowance, but the chairman of the Pension Commission and the deputy minister were kind enough to place themselves at our disposal for the best part of an hour this morning, and, in discussing the matter, they gave us a very informative illustration of how the unemploy-

ability allowance is going to operate. We came to the conclusion that the observations which the Legion made about this being in effect the introduction of a means test in pensions were not tenable. There were other minor details of that kind.

Mr. CROLL: We do not look upon that as a very minor detail. We think it is a very major detail.

The WITNESS: Except the explanation given by Brigadier Melville and General Burns made it fairly clear that if there is one thing that is not in that unemployability allowance scheme it is a means test.

By Mr. Croll:

Q. When you made your presentation if I recall correctly—you can correct me if I am wrong, Mr. Wickens—you said that your chief objection to it was that it would deprive some veterans of D.V.A. free hospital services?—A. Yes, under that proposal, unless he had—I understand your chairman in answer to a request in the committee said that quite a number of veterans would be transferred from the veterans allowance to this unemployability benefit.

Q. Yes.—A. And that any of them who were transferred would continue to have their hospital benefits but there is no indication yet that the one who qualifies for unemployability benefit and who was not receiving war veterans allowance, there is no indication yet that it is certain that that man will be granted hospitalization.

Q. Did you discuss that with the deputy minister and the chief of the pensions board?—A. Yes.

Q. And have you got that point clarified yet?—A. I do not know how far I should go there, sir.

The CHAIRMAN: I think probably if you relax for a moment we can help you.

Mr. CROLL: Yes, certainly.

The WITNESS: I can tell you what they said to us but I would rather they would say if it can be said here.

Hon. Mr. LAPOINTE: What I have been telling Major Wickens and Colonel Baker was that the treatment entitlement that a recipient of war veterans allowance has now under that Act will be extended to the recipient of this unemployability supplement, and that means that a man who is now receiving that war veterans allowance and who qualifies for this supplement will carry with him his treatment entitlement; and in the case of the veteran who comes in for the first time under the supplement, he will also have the same treatment entitlement.

The CHAIRMAN: There will be no discrimination?

Hon. Mr. LAPOINTE: No, that is right.

Mr. CROLL: In the light of that, Mr. Wickens, your brief then revolves around recommendation number one in the main, does it not?

The WITNESS: The main recommendation is the basic rate of pension, and number two is about allowances.

The CHAIRMAN: You will have to speak up, gentlemen, this room is small and our numbers are large and if we do not get perfect balance in our speaking it does not get into the report.

Mr. CROLL: Would you mind answering my question, or completing your answer?

The WITNESS: That number one, the pension increase is our main point. Number two is also important. And the third point, hospitalization for all pur-

poses to pensioners which is now extended under war veterans allowance, and we have the assurance of the minister today that free hospitalization will extend also to recipients of this unemployability benefit.

Mr. CROLL: Yes.

The WITNESS: We think that is important because many of the older veterans are reaching the point now where old age is catching up on them prematurely and many of them have to go to hospital for things that are not connected with war disabilities, but in the case of the recipient of war veterans allowance he is under no disability at all because he gets free hospitalization for whatever cause it may be. Our argument is that the pensioner should have priority to free hospitalization for any disability, war connected or otherwise.

By Mr. Pearkes:

Q. I believe in the legion brief they made a recommendation for an increase in war veterans allowance. Are you not asking that too?—A. Yes.

Q. It is not in this brief.—A. No, but it is covered by our endorsement of the Legion brief. There is one thing, if I might mention it while I am on my feet; there is one other feature I believe, the widows of the recipients of war veterans allowance rather more or less automatically receive an allowance, I believe for a certain length of time. Will the proposal to extend the free hospitalization benefits to recipients of unemployability benefit or allowance extend this to their widows also?

Hon. MR. LAPOINTE: I am not sure of that. That has not been considered.

The WITNESS: That is another of the details.

Hon. MR. LAPOINTE: That has not been considered yet.

Mr. PEARKE: There is to be no difference.

Colonel BAKER: I was just going to add to Major Wickens' remarks that the situation actually would not affect widows except in a very few instances because I think, if I remember correctly, most of this group who would become the recipients of this proposed allowance would be in the pension classification groups 1 to 11, where they would be entitled to the widow's pension in any event.

Hon. MR. LAPOINTE: Yes, I think so.

By Mr. Pearkes:

Q. I want to make it quite clear that the omission of any reference to war veterans allowance in your brief, which is rather striking, is not one of these minor differences that you have referred to?—A. No. We supported their brief, and we felt since we were preparing our brief on such short notice, it was only a day or two ago that we got the formal submission by the Legion, we thought we could better express our support of the Legion brief in the way we did rather than by repeating the items in our own brief.

Q. You repeated the item with respect to pension rates.—A. That had previously been presented to the minister.

Q. Did not your previous brief of two years ago recommend an increase in war veterans allowance?—A. I think they did grant a small increase after that representation.

Q. And you still feel there should be a further increase?—A. Yes.

Q. And the same amount of increase as recommended by the Legion?—A. That is right.

Mr. STEWART: Colonel Lambert, I was a short time in hospital on Christie Street and those veterans down there, some of whom have lost two limbs and others of whom impressed me as having lost their mentality, they have a nurse looking after each one of them, have they been moved now to Sunnybrook Hospital, and do they get out of hospital to get around at all?

Colonel LAMBERT: Those are the ones who had to have a nurse looking after them, yes; they have been moved to Sunnybrook since Christie Street was closed.

Mr. STEWART: They suffer from disabilities incurred now 33 years ago. I was wondering how they are getting along, whether they still have a nurse looking after them, or whether they are able to get out, and if they do get out and do they get shown around?

Colonel LAMBERT: Yes.

Mr. STEWART: They are mental cases in some instances.

Colonel LAMBERT: Yes, in some cases. They are taking expert care of them. They do get out, and they are supervised by the nurses. I might recall for you a little verse written by one of these men. He says:

Did you ever stop to think
What the end of your life will be
When your breath it stops and your heart goes pop
And your eyes no longer see?
In comes the doctor, sounds your heart and says
"He's dead; carry him out for we need the bed."
In comes the orderly and it is you he grabs
And places you on a cold, cold slab.
In comes the undertaker with a beautiful box
And a khaki suit and a pair of socks.
He puts you in the old black hack;
You go for a ride, but you don't come back.
They put you down the deep dark hole,
And the Padre says, "Long rest his soul."
Then up you go to the pearly gates
Where Peter sits in grand estate,
And he says to you in a voice so sad:
"You can't come here; you're far too bad."
So down you go in half a tick,
And you face the fellow they call Old Nick.
He says to you in a voice so gruff:
"You can't come here; you're far too tough."
So boys take heed and all be ready;
Cut out the rough stuff and live more steady
So that when you leave this world of woe
You will be all dressed up and no place to go.

And that was by one of those fellows.

The CHAIRMAN: I think that is some indication that the spirit is still there anyway, Colonel.

Mr. GOODE: May I ask one question, Mr. Chairman? I have known Major Wickens for a good many years. He used to live in Moose Jaw.

The WITNESS: I still do.

Mr. GOODE: Major Wickens, you are making no recommendation regarding the blind. Are you satisfied with conditions so far as the blind are concerned?

The WITNESS: Perhaps Colonel Baker would care to answer your question. We have received no kick from them.

Colonel BAKER: As a matter of fact, Mr. Chairman and gentlemen, we have no special recommendation to make in respect to the war blinded. We appreciated the action of your committee three years ago in enlarging the subsistence allowance, and the action of the Canadian Pensions Commission

in distributing that allowance into the various categories and applying it according to the need. But we have no special complaint at all. We are very grateful for the consideration which our group particularly has received.

Mr. GOODE: Thank you, Colonel Baker.

The CHAIRMAN: Now, gentlemen, we have a substantial number of representative and constituent members of the organization here today and I would not want to hold them for a further meeting unless it is your express request to do so. So I suggest that we should take full advantage of the time we have here. Do you wish to ask any questions, or to offer any explanations?

Mr. GREEN: May I ask one question of Major Wickens. Your main submission is, I take it, that there should be an increase in the basic rate of pension, and that if there is to be this unemployability supplement, it should be treated as an addition to the war veterans allowance.

The WITNESS: Yes, that is our main submission and it is quite important.

Mr. GREEN: I realize that.

Colonel BAKER: There is one item which has been on our minds for many years. It was partially dealt with some seven or eight years ago. It is as follows: When a chap with an entitlement condition goes into a hospital for treatment, it used to be the practice that he got his treatment, but he got the equivalent of \$1 a day deducted for hospital rates.

But later on it was felt that that created some hardship, so the deduction was reduced to 50 cents a day. That has now simply become a nuisance.

I have often wondered whether consideration has been given, or can be given to the elimination of that "teaser" item. I have often wondered if that point might not be considered.

Mr. CROLL: Carried!

Colonel BAKER: I think Captain Woodcock might have a word to say about a point in which he is most interested.

Captain Woodcock: I am not too sure what point Colonel Baker referred to. But sitting here today and listening to the remarks of the committee and the questions, I cannot help but wonder if as a group there are too many of us here who have lived perhaps a little on the silver spoon side with respect to our lives, and whether we should not consider ourselves in the position of a man who earns his own living. How does the man earning his own living carry on? He goes to work, and when he comes home, if he wishes to paint his house, he gets out the paint and does so; and if something is wrong with his old car, he usually attends to the trouble himself along with 101 household duties which he can perform, and which are all part of the ordinary man's life who is earning his living.

The question is: Are we receiving a pension for compensation for war disabilities? I look at it in the light of compensation for those things which I can no longer do for myself. I regard it as compensation for injuries which prevent me from doing those things for myself.

While my neighbour next door to me may work day and night at improving his place, I have to call in a decorator and pay him, let us say, \$250. Do not look askance at the helplessness allowance. I regard it as a compensation which I get from the government.

I think our main concern in the National Council has been for the chap who needs help the most, the chap we have been speaking of, the single 100 per cent pensioner. Regardless of his disability he is entitled to augment his income.

Try it yourself. Go to any big centre. Usually the handicapped are not out in rural areas. But try to get some of the necessities of life. You will find them gathered around industrial areas trying to find rooms.

Try it yourself. Go to a local restaurant to eat your meals and see how much you have left at the end of the week out of your \$94 with which to get a new coat or a pair of shoes, or a few of the necessities of life. That is the group with which we are most concerned.

This unemployability supplement to me is one factor that pleases me most, in that somebody within the group here somewhere recognizes the needs of that group. That is all I can say about it. Thank you.

Mr. QUELCH: Mr. Chairman, did I understand Major Wickens to say that if the terms of reference are widened so as to include all veterans' problems then his organization would like to make another presentation?

The WITNESS: At your convenience, yes.

The CHAIRMAN: Are there any other questions, gentlemen? I shall now take the liberty since we have our officials here, of turning the tables on the committee, and saying that particularly in view of the hitherto lack of specific knowledge revolving around this \$2 million supplement, that if any of the members of the delegation have any uncertainty in their minds respecting what is set forth in this, that it would be acceptable to the committee that they should ask questions of them.

Major Wickens has told us that they had the advantage of a consultation this morning with the senior officers of the department. We have a few minutes left and if the committee concurs, I think it would be in order. It should be helpful, and some points might be clarified.

The WITNESS: Mr. Chairman, practically every member of our delegation was present at that conference this morning. We are very much indebted to the two officers for the very frank session we had with them.

The CHAIRMAN: If you are satisfied, I am.

Mr. GOODE: Mr. Chairman, before we adjourn, I think something should be said about the straight-forward way in which this brief has been presented. Everyone of this delegation has spoken his mind, but in a fair way. There has been no holding back.

Major Wickens has done a marvellous job in his presentation. It is not because we sit here and perhaps understand his problem; but he talked to us as a man who knew what he wanted to present, and he presented his material in a way we could well understand. I think that ought to be said.

The CHAIRMAN: We shall meet again at the call of the Chair. I think the next meeting will be on Monday morning.

The meeting adjourned to the call of the Chair.

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SESSION 1951

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

CHAIRMAN—MR. L. A. MUTCH

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

MONDAY, MAY 28, 1951

WITNESSES:

Dr. C. B. Lumsden, M.M., First Vice-President, Canadian Legion of the British Empire Service League.

Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs.

Mr. J. L. Melville, Chairman, Canadian Pension Commission.

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1951

UNIVERSITY OF TORONTO

MINUTES OF PROCEEDINGS

MONDAY, May 28, 1951.

The Special Committee on Veterans Affairs met at 11 o'clock a.m., the Chairman, Mr. L. A. Mutch, presiding.

Members present: Messrs. Balcom, Bennett, Blair, Carter, Corry, Croll, Cruickshank, George, Gillis, Goode, Green, Harkness, Hosking, Herridge, Jutras, Larson, Lennard, McMillan, McWilliam, Mott, Mutch, Quelch, Stewart (Yorkton), Thomas.

In attendance: Dr. C. B. Lumsden, M.M., First Vice-President, Canadian Legion of the British Empire Service League; Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs; Mr. J. L. Melville, Chairman, Canadian Pension Commission.

The Committee proceeded to consideration of the brief of the Canadian Legion presented on May 17.

Dr. Lumsden was called and questioned.

Messrs. Burns and Melville were called and questioned.

At 1 o'clock p.m., the Committee adjourned until 4 o'clock p.m. this day.

AFTERNOON SITTING

The Committee resumed at 4 o'clock p.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Balcom, Bennett, Blair, Brooks, Carter, Corry, Croll, Cruickshank, George, Gillis, Goode, Green, Harkness, Henderson, Hosking, Herridge, Jutras, Larson, Lennard, McWilliam, Mott, Mutch, Pearkes, Quelch, Richard (Gloucester), Stewart (Yorkton), Thomas.

In attendance: Dr. C. B. Lumsden, M.M., First Vice-President, Canadian Legion of the British Empire Service League; Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs; Mr. J. L. Melville, Chairman, Canadian Pension Commission.

Examination of Dr. Lumsden and Messrs. Burns and Melville was continued.

Dr. Lumsden retired.

At 6.05 o'clock p.m. the Committee adjourned until Thursday, May 31, at 11 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
MAY 28, 1951.

The Special Committee on Veterans Affairs met this day at 11.00 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Gentlemen, we have a quorum.

In accordance with arrangements made when the Dominion Command of the Canadian Legion made their presentation to the committee we have with us this morning Dr. C. B. Lumsden, first vice-president of the Legion. He will be prepared to discuss their brief with members of the committee.

You will remember that, contrary to our practice hitherto, we did not at that time proceed to examine the brief but, by arrangement, that discussion is going to take place this morning. Without any further comments at this stage we will come to consideration of the Legion brief.

Dr. C. B. Lumsden, M.M., Dominion First Vice-President, Canadian Legion of the British Empire Service League, called:

Mr. HERRIDGE: May I suggest, Mr. Chairman, that we take the brief more or less page by page.

The CHAIRMAN: That has been the practice, but I am in the hands of the committee.

Mr. HERRIDGE: I would move that we discuss the Legion brief page by page, and ask questions on each page before proceeding to the next.

Mr. CROLL: May I point out that there is some overlapping. You will appreciate that?

The CHAIRMAN: Gentlemen, I do not think we need a formal motion to do that. I think the businesslike way is to begin at the beginning and run through it. As you would imagine, I have paid some attention to the brief and I can understand that discussion would get a bit involved if we tried to conduct it in that way. I think we can leave it to the good sense of members of the committee not to go over the same ground too often. Mr. Herridge, if you would agree with that I will not put your motion at this time.

Mr. HERRIDGE: That is fine. I just thought that it would make for more order.

The CHAIRMAN: I think we can count on the committee to keep order, but if there is any difficulty we will proceed in a different fashion. The meeting is now open for questioning.

I should not like to think that we had brought Dr. Lumsden back from his energetic tour of his own section of the country and that we would send him back again without some interrogation, gentlemen?

Mr. CROLL: Don't worry about it.

Mr. GEORGE: Mr. Chairman, I will start the ball rolling, but I cannot ask a question on page 1.

Mr. CARTER: Well, before you go on I would like to say something about page 1, if you don't mind.

A rather important statement here says that:

—we shall endeavour to show that as it stands it runs counter to the whole trend and development of pension legislation and involves the denial of the basic principles forged out of the past and vindicated by experience.

I think those basic principles are very important and, as a new member of this committee, I would like to know something about the basic principles that are involved in working out pensions—or that have been adopted in the past in working out these pensions, and just how far we are departing from them in this. I wonder if I could have some enlightenment on that, Mr. Chairman?

The WITNESS: Well, I think there are two basic principles involved. As you know, pension legislation has sort of grown up and been gradually established on certain basic assumptions, and I think it is generally agreed that one of those basic assumptions is that the pension should be based on the wage of the manual labourer and, conversely then, one would expect that the total disability pension would provide a minimum existence level of support.

Now, there apparently is no argument but what the pension today is inadequate to supply that minimum existence level of support. The minister, in his recent speech in Montreal, indicated that if the pension were the sole basis of support there would be no argument about that. So, by providing this supplementary allowance to meet proven cases of need, you depart from the basic assumption that the total disability pension itself should be adequate to provide a pensioner with a standard of living somewhat analogous to that of the manual labourer. That is a very important deviation because, if you depart from that, you have no standard left—nothing to judge pensions by.

Then, this legislation is brought in only to apply to pensioners of 35 per cent and above, single, and 45 per cent and above, married, so it is intended as a supplementary allowance to the pension but it is as of need and not as of right. Whereas, the whole pension legislation is of right and not of need. It made no difference what a man's other financial income was. His pension was assessed on his actual physical disability as related to the labour market—whereas this has no relation to that whatever, but it is related to the individual's need. So, there, you find two basic fundamental departures from the pension legislation.

By Mr. Croll:

Q. Following that, has the Legion ever opposed the principle of war veterans' allowance?—A. There are two ways in which the government meets the veterans' need. One is on a relief basis which has to be on a basis of need; the other is the pension which is not related to need at all but is based on a person's disability. Now, we have no objection to war veterans' allowance—we want to increase relief where it is needed, but we do not believe relief compensation should be included in the pension legislation.

Q. No, but the point I am hoping to clear up is that war veterans' allowance is based on need?—A. Yes.

Q. You agree with that?—A. Absolutely.

Q. It has been incorporated into our general pension legislation for a great number of years?—A. It has no relation to pensions at all.

Q. You are quite right, but it has been incorporated in our legislation dealing with pensioners?—A. If this legislation were not related to the pension as it expressly is, we would have no objections to it. If the thing is designed to meet need, then you have to establish need, but this is related to pensions and we do not want that dragged into pensions.

By Mr. Hosking:

Q. Is it not very similar to the legislation which you accepted before, and does it not follow up rather than run counter to the whole trend? Does it not start where war veterans' allowance leaves off?—A. No.

Q. War veterans' allowance, as I understand it, applies to a pensioner who through service has shortened his period of being able to earn. Does not war veterans' allowance subsidize that individual who, through service, has become old before his time?—A. War veterans' allowance is on an absolutely different basis from pensions. Under war veterans' allowance you have to establish need.

Q. But doctor, the point I am trying to make is that we accepted that and thought it was a very good thing—a very necessary thing for these people who by the nature of their service have been burned out. They have lost the power to earn sooner than they would have otherwise. Following that same idea through does not this legislation supply a supplement to a pensioner who, through disability is in a position where he cannot earn?—A. There, what you are doing is introducing into pensions a relief measure. We say on page 1: "If the proposed supplementary allowances were to be in addition to an adequate pension they might be worthy of careful study". But they are taking the place of an adequate pension.

Q. The point I was hoping to make was it does not run counter to the whole trend of development in pensions?—A. Well, war veterans' allowance is not a pension legislation. It is not related to pensions at all.

By Mr. Goode:

Q. Yes, it is, doctor. Perhaps not to wartime pensions but it has relation to other pensions.—A. Well not to war pensions.

Q. But it certainly has relation to pensions—not veterans' pensions but it relates to other pensions.—A. You are talking here, of course, about a covering thing. We are talking about war pensions. If you would like to put in the word "war" that would be all right.

By Mr. Green:

Q. Dr. Lumsden, is this the picture as you see it? From the time of the first war the pension has been granted on the basis of right for a disability incurred directly as a result of service?—A. Yes.

Q. That has been the one basis for pensions all the way through from the end of the first war. Then, in 1930, the war veterans' allowance was brought into effect without having any connection whatsoever with the pension. It was really only the granting of an old age pension ten years sooner than the person would have got it if he had not served?

In the case of the war veterans' allowance, the veteran could not trace his pre-aging directly to the war in the same way that a pensioner had to do to get a pension. So, war veterans' allowance as you have described it, is in effect a relief measure and it has been that always, and nothing else. It is true in some cases the small pensioner is able to get it as a form of relief, but that is totally disconnected from his right to the pension, which is a right arising out of his disability which he has been able to prove arose directly from the war. Is not that what you mean?—A. Precisely.

Q. So war veterans' allowance has not got the slightest connection with pensions. It is derived from a different source and now you are complaining because supplementary allowance is tacked on to the pension and is on a basis of need.

MR. CRUICKSHANK: Would you have any objection to calling this a cost of living bonus?

The WITNESS: If it were a cost of living bonus then it would apply to all pensioners right across the board.

Mr. CROLL: Assume for a moment, as Mr. Cruickshank says, that we call it a cost of living bonus. The statement has been made here, and I think it has been repeated outside, that 90 per cent of the pensioners are fully employed. Do you agree with that?

The WITNESS: No, not fully employed.

The CHAIRMAN: The statement was that they were supplementing their pension by earnings. It is not asserted that 90 per cent are fully employed but 90 per cent are supplementing their earnings by being employed.

By Mr. Croll:

Q. 90 per cent are employed?—A. Yes.

Q. And if they are employed in a motor factory, as carpenters, as bricklayers, as plumbers or whatever they may be, they get the benefit of whatever increase in wages the others receive?

Mr. CRUICKSHANK: What if a man is self-employed?

By Mr. Croll:

Q. We will just cover this for the moment. That would be normal, would it not?—A. I would not want you to interpret me as saying that is true of all pensioners employed—but it would apply to some.

Q. Well put it this way: if they are employed where there are unions they would get the benefits that the other members received? That is true is it not?—A. Yes.

Q. You have no figures to indicate how many of them are employed in industry?—A. No, and I do not know whether the department has or not.

Q. No, but let me carry it one step further. You base your argument in the brief on the cost of living in the main?—A. I would have to supplement that statement of yours. I base my argument on the idea that a total disability pension should be adequate for subsistence and, to prove that the present one is not adequate for subsistence, we use the cost of living index.

The CHAIRMAN: You realize when you make that assertion you are introducing a wholly new principle into pension legislation?

Mr. GREEN: How can you say that?

The CHAIRMAN: I just did.

The WITNESS: You agree it was set up originally on the basis of the manual labourer's earning?

The CHAIRMAN: The compensation for disability is on exactly the same basis as for workmen's compensation—in principle?

The WITNESS: I do not know—workmen's compensation, I believe, is set up on the basis of two-thirds—

Mr. CRUICKSHANK: It varies in each province.

By the Chairman:

Q. What I meant by that was that in principle it is compensation for physical damage?—A. Yes, but the amount is not set up on the basis of workmen's compensation.

Q. I did not suggest that, because it varies.—A. I want to bring out that it is a pension but it is on the basis that a manual labourer has enough for subsistence, and when I say we are basing this brief on the principle that the pension should be enough for subsistence I am not introducing a new principle. That is simply translating the manual labourer's standard of subsistence—and if you like we will retain the phrase.

Mr. CRUICKSHANK: In your opinion, how is that figure for manual labour, whatever the figure is, arrived at in all parts of Canada?

The WITNESS: I suppose it is arrived at in the same way as the Bureau of Statistics. They take the average right across Canada and give you the average for the whole dominion.

Mr. QUELCH: Did I understand the chairman to say that the 100 per cent pension is not supposed necessarily to be enough to meet the cost of living? What is he supposed to live on when he cannot work?

The CHAIRMAN: I asked if it was not a new principle in pension legislation to suggest that the 100 per cent pension was designed to establish the standard of living for the 100 per cent pensioner. And I said that the principle was that of compensation for 100 per cent disability in physical capacity. We have never restricted payment to a man of independent means. I do not think this would establish the principle at any time that a pension is an alternative to subsistence.

Mr. QUELCH: In 1948 when we sat, we went thoroughly into the whole question of the cost of living. And in view of the fact that the cost of living had risen considerably, we made a recommendation for a 25 per cent increase. We definitely tied the pension to the cost of living when we made that recommendation. But since that time there has been a still further increase in the cost of living and I presume it is on that fact that the legion brief is based.

Mr. CROLL: That is the question. I asked Mr. Lumsden if it was not based on that supposition.

The WITNESS: It is based on the supposition that the cost of living index roughly indicates the amount which a pensioner requires to live on. But we do not expect to have a detailed analysis, so long as there is a rough approximation.

Mr. CROLL: My next question is: Are we not playing with a very dangerous principle as far as pension legislation is concerned? If we take the escalator clause up, do we not face it when it comes down?

The WITNESS: I would be quite happy if you would apply the same principle to pensions coming down as you have to pensions going up.

We had to have a 50 point increase in the cost of living index before we got a 25 per cent increase in the pension.

In 1948 the index was around 150, now our pension index is 125 while the cost of living index is 181, and there is no increase. Now, if you set the escalator clause and then let the thing slide down to 50 points below the pension before you reduced it, I think we would be quite happy.

Mr. GREEN: I think that the whole argument in the 1948 committee was based on the cost of living. I think there is no doubt about it.

The WITNESS: Yes.

Mr. HERRIDGE: In the 1948 committee the government and the veterans organizations considered it from the point of view that all disability veterans are entitled to compensation for their injuries. We considered the question on the basis of the cost of living and the rise in the wage structure. There was no question of its being across the board.

By Mr. Goode:

Q. Where would you set the amount that a pensioner received? Do you think it should apply to a pensioner of 20 per cent?—A. Why not, if it is a percentage increase.

Q. But certainly that is not a living allowance. When a pensioner gets 20 per cent, it is usually a case where he will bank that amount of money. And as for all cases, we cannot deal with all cases. But with a pensioner who gets less

than 20 per cent, it certainly is not something of importance, in respect to his total income.—A. Yes. As a matter of fact, a lot of our most acute cases are individuals in the low pension bracket; and if a man today is getting a 20 per cent pension, he may be getting along with what he can earn as casual labour and what not. But can you say it is subsistence? Perhaps he has meat once a week.

Let us suppose he gets \$2 extra a month, that is, for a man and his wife. Well, those people probably have not been to the movies in a year. It would give them an average of two movies a month. That would mean more to them in terms of living enjoyment than my trip to England will mean to me, and for only \$2 a month.

Mr. MOTT: I think you are painting a terribly black picture to us in going back to the days when every veteran was practically starving to death.

I have not been a member of this committee before. This is the first time that I have been on this committee; I am a veteran of the first war and luckily I came back whole. What was our first disability pension to veterans who came back in the first war? We brought in legislation for the disabled. Then followed the burned out pension for veterans who were finding it hard to get along.

Now, this legislation which is before us is for another class of pensioners who have been disabled and who cannot get work at all. It is intended to give that class some help. I think this bill which is before us is going to do them some good. But you say: Give it to every pensioner. Every pensioner must get it. This would mean an increase to every pensioner instead of the form in which we are bringing it down.

In my own experience I remember. I do not like to say these things, because I think that anyone who has suffered amputation of an arm or a leg or of some part of his body deserves all the credit and help we can possibly give him. But out in British Columbia, where I come from, I went down to buy a little piece of land for a cottage. On one side of me was a returned soldier. He is a meat inspector for the government. He had one arm off. But he gets his full salary the same as any other inspector of meat, in addition to his pension.

That man could do everything that I could do. He could afford to send his two boys to college.

On my left was another fellow with one leg. He was working for the customs and he was able to send his family to college and have a summer home.

There are many returned veterans such as myself or anyone else who probably saw more service or perhaps not as much who would be sitting across the table working side by side with those veterans. They are doing it today. A veteran may have an amputation or have suffered some effects. But he can work there and draw his salary and get such increases based on the cost of living as the government sees fit, or as the organization for which he works sees fit.

Alongside that amputation case sits another veteran and he gets the increase in wages the same as the other veteran receives. I think we should help out those who are really in need.

Mr. CRUICKSHANK: He is in need of an arm, is he not?

Mr. MOTT: Yes, I said he could do everything which I could do with two arms, such as mow, scythe, row a boat, go fishing and everything else.

Mr. GREEN: More credit to him.

Mr. MOTT: Yes, I know, but what about the veteran sitting across the table from him who went through four years, but who suffered no physical harm, so far as the pension board is concerned?

Mr. QUELCH: Do you think he would be willing to exchange places with the other veteran who lost an arm?

Mr. MOTT: I do not know that. My argument is that a man should receive a raise enough to cover the cost of living but not continue with increases in his disability pension.

Mr. HARKNESS: Mr. Chairman, I think Mr. Mott's entire argument is along the line that our whole basis of pensions should be changed, and that it should be based on need. But I do not think we are discussing that question. I think it has been established here for 30 odd years that the basis of disability pensions is a pension as of right because of the disability which a man suffered during his war service. If you accept Mr. Mott's idea, I think you have to wash that out completely.

Mr. CRUICKSHANK: Yes, and put in a means test.

Mr. HARKNESS: Yes, and that every pension is based on need. That is something we are trying to get rid of. It is strictly contrary to what the whole concept of pension legislation has been.

Mr. HOSKING: Mr. Chairman, this brief brings in the quantity of pension required as against the cost of living. What do you call that, "expected need"? Let us carry this thing right back to its logical conclusion. I think everyone in this room is interested in seeing that pensioners do not suffer. The government has introduced this bill which we are studying with the sole purpose of making things better for the pensioners.

But let us analyze this question right back through time and we will have to admit that the cost of living is what it is today and not what it was in 1930.

Comparing today with 1930, I think a pensioner is getting a pension that is worth less than the 30 per cent pension he received at that time. A man may have his arm off and yet have full employment. I claim this and I do not think I am wrong, that pensioners in Canada today as a whole, outside of the ones which the government is going to look after—with this legislation, with this proposition which we have before us today, and with the high cost of living what it is—and if I did not honestly believe it, and if it was not actually the case I would not be in favour of it—I believe that the pensioners are better off today than they were in 1930.

The WITNESS: Well, I am not better off, and I am a pensioner.

Mr. HOSKING: Except for the cases where the government is looking after them, it is my honest belief that despite the cost of living being where it is, it has not hurt them. I believe it has benefited them, because if you have a certain disability today you can get full employment, something you could not get in 1930. So I think they are better off.

Mr. CRUICKSHANK: Where do they get this full employment?

Mr. HOSKING: In all sorts of jobs.

Mr. CRUICKSHANK: Yes, I suppose in certain localities.

The WITNESS: To say that because we use the cost of living index we are arguing for a basis of need is simply not correct. We are using the cost of living index to indicate living standards which we feel should be those of a normal pensioner. If you depart from that, you have no standard for pensioners. Suppose you establish the principle which this gentleman over here is arguing, that pensions should be based on need and not on right.

Mr. CROLL: Mr. Lumsden, I must take some exception to the interpretation which has been put on Mr. Mott's statement. I listened to it and he merely referred to the principle. He did not indicate that he was in favour of it. He merely gave it as an example of what could happen.

The WITNESS: Well, I thought that he was arguing for need.

Mr. GREEN: I thought he said: "To help out those in need."

Mr. CROLL: In addition, he did not deviate from the principle at all.

Mr. MOTT: Those in need at the present time.

The CHAIRMAN: Order, please!

The WITNESS: If you are not arguing need as the basis for pension, what is the point of your illustration?

Mr. MOTT: The point of my illustration is that it is the difference between veterans. The first veteran is doing the same class of work as the second one, who has a compensating pension because he may have lost an arm. Some will say it is compensation because he lost an arm. As compared to the first veteran who had come back, he gets a raise in his cost of living. They are working along side each other on the same job and the second veteran already has his pension.

This would mean, on your argument, that all pensions should be increased, that he should still have another increase in his pension as compared with the first returned soldier who probably cannot get one.

The WITNESS: The contention should not be that it is an increase. Our aim should be to bring the pension up to its real value as it was in 1935 and 1939. I wonder if we could have an estimate of real value, not in terms of dollars and cents. What we are arguing is that the cut in pension caused by the depression of the dollar be removed, and that the real value of the pension be the same today as it was then.

For instance, you have men who are going to be disabled in Korea, who are being disabled in Korea, yet we are asking them to accept a pension which is 30 per cent less in real value than the pensions which we men got in the second World War.

The CHAIRMAN: Will you permit an interjection?

By Mr. Jutras:

Q. Isn't this last point really separate from the unemployment supplement? If I got your remarks correctly, and from the brief, is it not a fact that your objection to the unemployability supplement is mainly on the question of principle?—A. Absolutely. If we were not tied to the pension, it would be a different thing.

Q. I assume that this unemployability supplement is taking the place of an adequate pension?—A. Yes?

Q. Are these two things really tied together this way? Is there not room for the unemployability supplement irrespective of the basic pension itself?—A. Yes.

Q. When you make the statement now that this unemployability supplement is taking the place of an adequate pension, that is on the basis or on the assumption—if I may use that word—that the present basic pension is not adequate?—A. Yes.

Q. Let us reverse this. Suppose we assume that the basic pension is adequate, then I take it you would have no objection to this unemployability supplement?—A. I would not go so far. I would not object to the principle. But there are a lot of problems which might be ironed out in discussion.

I would not be prepared to commit myself in advance over it. But I would say that supplementary legislation to take care of veterans who are absolutely unemployable might be a far sighted thing. But if it is to take the place of an adequate pension, I think it would be introducing another new principle.

Q. But nobody has made the statement that this was to take the place of a basic increase in pension.

The CHAIRMAN: No, nobody has made that statement.

By Mr. Jutras:

Q. This has been an assumption so far. But referred to this unemployability supplement, if we assume that the basic pension is adequate, then I take it you would have no objection to this unemployability supplement?—A. We would like to discuss it in detail. I can see certain problems developing to which I do not know the answer. But as a principle, I would not object to it.

Q. Basically we are dealing with the question of principle. We are dealing with either page 1 or 2 of the brief, but that does not matter very much. However, therein is contended the principle of the whole thing, and your objection.—A. If the pension were brought up to an adequate basis, personally I cannot speak for the legion. I would have to give the matter some personal consideration. However, I think that the unemployability supplement with changes might be a very wise and forward-looking thing.

Mr. GREEN: In this case would you agree?

The CHAIRMAN: One at a time, please.

By Mr. Jutras:

Q. To go one step further, Mr. Green, does not that indicate that basically this unemployability supplement is not contrary to the principle of the pension?—A. No.

Q. Basically it is really not introducing any new principle in pension legislation. That statement is raised by us on the assumption, or on the basis that it is replacing, but it is not.—A. We have to depend on the published statements of responsible officials, and it is completely tied up by regulations to the pension. It is only applicable to a certain group of pensioners.

Q. No, that is the effect of it, that is the application of it but it is not tied down as such.—A. Only a single man with a 35 per cent or more pension is eligible for it.

Q. By the fact of the war veterans' allowance, but not basically, not fundamentally—from the basis of that supplement itself.—A. It is not on the same basis as the war veterans' allowance.

Q. It takes on where one leaves off. I do not want to relate these two things together as they are entirely different.—A. Well, on this, we have to use the published statements here of the Minister of Veterans Affairs, who says:

"I cannot dispute that argument," said the minister. "It is a perfectly valid one if—and I want to emphasize this if—pensioners in Canada were compelled to rely on their pensions for their living. The fact is that very very few of them do, and the vast majority—about 90 per cent—are fully employed . . . Our proposal is to help those pensioners who can't earn;"

Q. If I may be allowed, Mr. Chairman, I do not think I would place that interpretation on what was said, from what you have just read. I would say that in our period of inflationary trend I do not think you could hope to get a basic pension at all that would cover 100 per cent of the cases. These are unusual times and we are going through unusual circumstances and if you were to set a basic pension rate to meet this fully at the present time, then when things do become normal, or more normal, I should say, because I believe we have lost what is known as the normal, and when it does come down again, your pension would be out of range, but at any rate speaking from a practical point of view I do not suppose we could hope to get a basic pension that would meet every condition 100 per cent under the economic circumstances existing at the present time, and I think that probably that is what the minister had in mind when he said that there was need, apart from the pension, apart from the W.V.A. and apart from all other measures, for a measure of this type which

basically does not affect the basic pension and takes some account of inflation.
—A. Would you let me develop an argument against that?

The CHAIRMAN: Go ahead.

The WITNESS: You say this is not related to pensions but it is designed to meet the thing that the pension does not cover at the present time.

Mr. JUTRAS: That is not exactly—

Mr. GOODE: Let us not interrupt the witness; he says he wants to develop an argument.

Mr. JUTRAS: No matter where you place your basic pension there will be a great many cases with a certain disability that will receive a pension that will not be adequate because of the fact they are not able to be employed. We are trying to consider this group that have a disability, but not a big disability, but yet cannot find employment because of that disability. Now, this is a group and no matter where you place your basic pension you never will adequately meet that situation.

The WITNESS: That is different. This is, as I said, brought down as expressly stated, to meet our argument for increased pensions.

The CHAIRMAN: That is an assertion.

Mr. GREEN: I think the witness should be allowed to make his answer and not be interrupted just because the members do not agree with what he is saying.

The CHAIRMAN: Mr. Green, I have given the committee a lot of latitude but it does not extend to implying motives to people. I would suggest the first step now would be for you to withdraw your remarks implying that members are interrupting because they do not like what the witness is saying. You are a senior member of this committee and you know better.

Mr. QUELCH: I think you are misunderstanding what the member said, Mr. Chairman. Actually, when the witness makes a statement and the members disagree with it, they like to interrupt.

The CHAIRMAN: I have no exceptions to objections taken with respect to that and I will be very strict with it. I only took exception to the statement that members were trying to disrupt and I said that I objected to the suggestion given out by Mr. Green implying that members were interrupting the witness because they were displeased with what he said.

Mr. LENNARD: Mr. Chairman, may I suggest that these meetings might go along a bit smoother if, when a member of this committee wishes to speak—I am not referring to Dr. Lumsden because he is on the spot—that he should rise when they want to say something. I think if we were to carry out that procedure we would not find three or four members trying to speak at once.

The CHAIRMAN: I left that at the outset to the committee. In the past we have spoken from our chairs and it turned out quite satisfactorily. If the committee now takes exception to that, well, it can be changed. I think if you will look at the minutes of the first meeting you will find I said we would proceed this way until we found it did not work. Mr. Lennard is of the opinion it is not working.

Mr. HERRIDGE: I support Mr. Lennard's suggestion. We at this end of the room cannot hear well what the witness is saying when he is muffled up at the other end by members interjecting. I move that when a member speaks he rises.

The CHAIRMAN: Gentlemen, you have heard the consensus of the meeting. Will you please rise when you wish to address the witness through the chair.

Will you continue, Dr. Lumsden—

The WITNESS: Well, I was basing my statement on the fact that this was related to pensions. Here is the statement of the minister on page 23 of the

minutes and proceedings of evidence, volume No. 2, where he deals with the matter of the briefs that have been asking an increase across the board:

We are completely sympathetic with the motives which prompted these representations. As I mentioned before, our own survey of the situation has shown us that there were some genuine cases of hardship and we have been able, as the occasion arose, through our own services to observe these. However, in trying to find a solution we looked into many factors.

And then he goes on to develop the idea that because so many of these veterans are working that the whole concept of pensions should change. He says:

Now, there is no doubt that some years ago that was true but I think now that a better conception of the purpose of a pension is that it is to compensate the recipient for the loss of ability to do anything that a person without a disability can do.

Now, a pensioner lives with his disability twenty-four hours a day and not only during his working hours, and therefore it seems we should consider a pension in terms broader than that of a subsistence allowance.

Now, as I take it from what follows that broader terms than a subsistence allowance means it should not equal a subsistence allowance.

This change in the concept of disability which has taken place in the last few years is certainly due in great part to the courage and the determination of the disabled persons themselves . . . they have insisted they can be completely self-supporting

and so on.

Then, he indicates this legislation is brought down to meet the needs of those who have for some reason or other not been able to overcome their pensionable disability. Now, I submit that, throughout, this whole scheme is tied to the pension and that in that statement there is an indication, and the minister frankly states it, that the pension should not be regarded as equal to a subsistence allowance and that where the individual can work, well, that is enough he does not say that—but it is only where he cannot work that this should be brought up to subsistence allowance, but let me call attention to this fact, gentlemen, that this deals with cases of men who are forty-five per cent disabled and who are totally unemployable; if they are married and they get this \$40 a month it would bring them up to something less than \$100 a month. Now, there is a total disability case according to your definition, unemployable and unemployed, with war disability a major factor contributing to unemployability, yet how can this man expect to live on less than \$100 a month?

The CHAIRMAN: It might, perhaps, since an interpretation has been put on the minister's remarks to have some clarifying word from the gentleman who knows more about pensions perhaps than any of us, the Chairman of the Commission, who is with us today. Can you add any light to the suppositions and opinions we have been having all morning, Mr. Melville?

Mr. J. L. MELVILLE (Chairman of the Canadian Pension Commission): Mr. Chairman, and gentlemen, this proposal of the unemployability supplement is very definitely new but it must be remembered, I should say, that we have come a long way since awards were first made for disability, in 1916. The awards at that time of pensions for disabled war veterans were very closely related to the pay and allowances in effect for members of the forces. The Pension Act itself did not come into being until 1919, and in 1919 or 1920 the then rate of compensation for disability or death was raised by a bonus of 20 per cent, in 1921 by 50 per cent, and that became incorporated into the Pension Act as the basic scale of pension in 1925. Now, that scale of pension continued until the

amendments of 1948 when the basic scale was raised with effect from October 1, 1947. The commission is charged with the responsibility of determining first of all whether a disability was incurred during service. If we so determine then our next responsibility is to determine what is the extent of that disability. The extent of disability depends on medical opinion, examination is carried out and pension is awarded in accordance with the extent of disability is found by medical examination. Arrangements are made by the commission to re-examine pensioners from time to time so that we may ensure that at all times he is compensated to the full extent of his disability.

Now, we may look at the question; what is disability? Disability is defined in the Pension Act. The definition is:

Disability means the loss or lessening of the power to will or to do any normal mental or physical act.

You then go further in the Act to determine how will the commission determine disability and give effect to it and that is found in section 24 (3) of the Pension Act where it says that the commission will establish a table of disabilities to be used by medical advisers and others to determine the extent of disability. It is said that it is a guidance for the physicians and surgeons making examinations for pension purposes.

Then, if you refer to the same section, section 24, you will find that this definition appears in subsection (4) of the Act relating when no deduction from pension shall be made and this is what the Act says:

No deduction shall be made from the pension of any member of the forces owing to his having undertaken work or perfected himself in some form of industry.

Now, I might go on from that point and state that the great majority of pensioners today are employed and I am very happy, as every one is, that that includes those pensioners who are seriously disabled, in a great many cases men who are totally disabled and in receipt of 100 per cent pension.

I refer here to some of the paraplegics who are wonderful examples of that, blind pensioners, multiple amputations and others, and I would say that these men are living examples of fortitude and the application of man's great ambition in this world to earn, to work, and to support his dependants. They deserve to be fully compensated for their disabilities and they are. We had the other day at this committee meeting certain pensioners whose disabilities as a whole are appreciably in excess of 100 per cent, and why is that? It is because the table of disabilities that is used by the commission and kept up to date all the time, in the light of the most up to date information, sets a degree of compensation for a certain disability. One pensioner who was here is compensated for blindness 100 per cent; he is compensated for loss of an arm 80 per cent, and I think I am correct in stating he probably has other disabilities. His total disability would be probably about 200 per cent, and there are some who are as high as 220 per cent, being the sum total of their disabilities. They are not 220 per cent disabled, they are totally disabled, 100 per cent, because the compensation as set up by our table of disabilities, the compensation as arrived at by provincial workmen's compensation boards, compensation as determined in other countries is used as an indication of the degree of disability.

Now, that is the situation we are faced with and I say we are very happy indeed that the great majority of pensioners are employed. But there are some who are totally disabled and who are unemployable and for whom a supplementary award will be of very, very great benefit. There is no doubt whatsoever about that. And some on account of environment where opportunities of employment are very, very limited coupled with the degree of disability.

Mr. CRUICKSHANK: Might I suggest to you, Mr. Chairman, that the names of any pensioners and their degrees of disability should not be mentioned in this committee.

The CHAIRMAN: Mr. Cruickshank, I think that perhaps normally the objection would be well taken, but you will remember that some of the delegation referred to their own disabilities. However, I think we should not mention names in this committee.

Mr. HOSKING: I believe that every member here is a member of the Legion and I believe that every member wants to get as much for the disabled pensioners as we can possibly get and we have heard this argument brought forward in the Legion's brief tying the pension to the cost of living index. I would like to ask Dr. Lumsden if he does not really believe that if the cost of living index drops to where it was in 1935 that there will not be more suffering amongst disabled veterans than there is today; and that as a result of the careful thought put into this legislation by the civil servants who have devised this means of paying pensions, the pensioner will not receive a great deal more than if we gave a reasonable increase in basic pension; because I visualize as it was in 1935 when the number of pensioners, 35 per cent and over were unemployed, and with those conditions coming back there would be a very large number of unemployed pensioners and that as far as getting care taken of them, this legislation is about the best that could possibly be enacted. As the cost of living index goes down, your unemployed will become greater. It is possible that this \$40 a month that they are going to pay will run into a far greater amount with the cost of living index at 100, than it would if there was a basic increase right across the board and nothing for the unemployed who are 35 per cent disabled.

I think that the civil servants who have recommended this to the government have done the greatest service that they possibly could have done for veterans. Their forethought into the thing has been immense, and I would like to ask Dr. Lumsden if he does not think that the amount paid by the government, with the cost of living index at 100, would be far more than a basic increase of the pension—and it is going to go to the best place—it is going to go where it is needed?—A. I would say, bluntly, no. I do not think that at all, and I will tell you why. If you argue that the cost of living index goes back to 100 that would mean—

Q. Very hard times?—A. Very hard times and a great deal of unemployment. Unemployment will not enable these men to get this benefit. They have to prove that their disability is a major factor.

Br. Mr. Croll:

Q. Just a factor?—A. But unemployment, if it is simply unemployment, will only get them unemployment benefits, not allowance for unemployability. These things do not apply at all, and as I said before, we are not arguing about the desirability of an economic supplement to meet the needs of a particular class of unemployable veterans. We are arguing that that should not take the place of an adequate pension. Now it might be that an unemployable supplement could be devised which would take care of the cases you have in mind, but that should never take the place of an adequate pension. That is your basic thing, and then, if you grant that, we can consider these other things.

Q. Well, for the moment, speaking for myself, I think perhaps the committee agrees with what you say—that anything we do here should not take the place of a basic pension.

Let me just follow that for one moment. I gather from reading this brief that there is something in the back of your mind that is bothering you considerably, and, from what you have said here today, it appears to me that you

are worried about the introduction of a new principle. I think you will agree with me on that? Now, we have to consider that in the light of conditions and circumstances? I need not point out to you that after many, many years of hard work and effort on behalf of all the members here, we have finally been able to achieve a no means test pension for people who are over 70. I merely relate that to our thinking. Can you possibly conceive that we, as veterans, would impose that sort of test—as you put it a means test—on veterans, and yet take it off civilians? That is what is troubling you in this brief, if I see it correctly?—A. May I answer that?

The CHAIRMAN: Of course.

The WITNESS: We have to go somewhat on the experience of other people who have had this legislation. It has been in force in Great Britain, New Zealand, and South Africa. Now, I think you will find that in Great Britain as the problem of the rising cost of living has come up they have not attempted to meet that by an increase in pensions but by an increase in an economic supplement. There is the one thing we are afraid of. Once you establish the principle, and it is a principle, that pensions are not equal to a subsistence allowance, and that need must be met by an economic supplement no matter where the cost of living goes, you can rule out any increase in pensions. If the Canadian dollar went to where the French franc went a pension would not be worth anything. There is the principle that we are working for and it is, I think, of very vital importance.

By Mr. Croll:

Q. May I follow that if I may. First may I point out, Dr. Lumsden, something that is obvious to you and to members of the committee. Neither in Britain nor in New Zealand nor in South Africa have they such progressive legislation as we will have introduced by the end of the year—dealing with pensions. They all have a means test basis for their pensions? Do you agree with me on that?—A. I am not fully acquainted with the social security legislation in Great Britain.

Q. Then, my colleagues around the table will agree with me that is a statement of fact. They all have a means test in their social security, whereas we propose not to have a means test.

Mr. GILLIS: But do not get this mixed up with social security?

Mr. CROLL: I am talking about means test broadly.

Mr. GILLIS: You are making a comparison as between Britain, New Zealand, and Australian social security, but this is pensions.

Mr. GOODE: I think anyone who wishes to speak in the committee here should stand on his feet.

Mr. CROLL: Well, then you are out of order.

By Mr. Croll:

Q. Just let me follow it further. The national council of veterans' associations was here one day last week. In presenting their brief and in giving their thought of the supplement—and by the way this committee has pretty well agreed that the word "major" will be deleted so we can forget about that as far as "factor" is concerned—in presenting their brief they did not share your views with respect to what you call the means test and an economic supplement. Have you had an opportunity to see the record?—A. No.

Q. I can assure you that they did not share your views on it. May I ask you this. Do you know that with respect to the supplement a man may have capital of \$50,000 and an income of \$10,000 a year and yet he will still be eligible for this supplement? Do you agree with that?—A. As far as that is concerned I would have something to say later on.

Q. Would you like to answer it now?—A. Well again, relying only on public statements in these proceedings, volume No. 2, page 26 in the last paragraph: "In accordance with the same principle, a pensioner who retires after completing his ordinary period of working service with a government or a large corporation and who receives superannuation or retiring allowance from the government or corporation equivalent to the universal old age pension, will not be considered to fall in the unemployable classification."

There superannuation is the means test.

Mr. CRUICKSHANK: I do not think I understood Mr. Croll very clearly that they were eligible. Would that not obviously mean that a means test must be put into effect?

Mr. CROLL: No, if he is unemployable.

Mr. CRUICKSHANK: But does he automatically get it?

The CHAIRMAN: He can apply.

Mr. CRUICKSHANK: Your whole argument is wrong?

Mr. CROLL: No. No matter what means he has if he applies for it he automatically gets it.

The CHAIRMAN: If he otherwise qualifies—45 per cent pension and unemployable.

Mr. CROLL: If he is a 45 per cent pensioner, married, no matter what his means are, if he is unemployable he receives it. The only test is employability.

Mr. GREEN: Mr. Chairman, I would like to ask Brigadier Melville and also Doctor Lumsden one or two questions.

Brigadier Melville, if you read section 24(4) of the Pension Act it provides: "No deduction shall be made from the pension of any member of the forces owing to his having undertaken work or perfected himself in some form of industry." Has it ever been the practice of the Pension Commission to give any consideration whatever to what money a pensioner was able to earn.

Mr. MELVILLE: At no time.

Mr. GREEN: He has been entirely free of any investigation of that kind?

Mr. MELVILLE: Absolutely.

Mr. GREEN: If he could earn a living on his own that was his privilege and nobody questioned it? Is that right?

Mr. MELVILLE: That is right.

Mr. GREEN: Who is to administer this unemployability supplement—the Canadian Pension Commission or the War Veterans' Allowance Board?

Mr. MELVILLE: The Canadian Pension Commission has nothing whatever to do with the administration of the unemployability supplement. It will be administered by a district office authority. The War Veterans' Allowance Board has nothing whatsoever to do with it.

Mr. GREEN: Somebody must have the responsibility. Is it to be with your Canadian Pension Commission or is it to be with the War Veterans' Allowance Board?

Mr. MELVILLE: Neither; it is entirely with the Department of Veterans Affairs.

Mr. GREEN: In other words, if a decision is made in Vancouver that a certain veteran will or will not get this unemployability supplement, then he will have no appeal to Ottawa at all? A decision made in Vancouver by officers there will be final?

The CHAIRMAN: Perhaps General Burns could say something on that before you go on?

Mr. BURNS: I think that question was asked in a previous session when Mr. Green was not here.

Mr. GREEN: I have not missed any sessions.

Mr. BURNS: The statement was made sir, I think, that we have made provision for a committee to be set up at head office which can receive appeals from veterans who are not content with the rulings of the district authority.

Mr. GREEN: What will be the set-up of that committee? From what branch of your department will the members of that committee come?

Mr. BURNS: From the Welfare Services Branch, officers of the treatment services, and other officers, as indicated.

Mr. GREEN: Will there be a representative from the Canadian Pension Commission?

Mr. BURNS: It is not contemplated, sir.

Mr. GREEN: Or a representative from the War Veterans' Allowance Board?

Mr. BURNS: We will be keeping in touch with them on points as they arise.

Mr. GREEN: In effect you are going to be working with the War Veterans' Allowance Board on this supplement in that they are a board that has had experience in handing out supplements of this kind?

Mr. BURNS: In the district that is so.

Mr. GREEN: Even though this Vote definitely ties in with the Pension Act because it reads:

To provide financial assistance after the thirty-first of May, 1951, in accordance with regulations to be made by the Governor in Council, to unemployable veterans who are in receipt of pension under the Pension Act for a disability which is a major factor contributing to their unemployability—

So that there is no question but this unemployability supplement is meant only for men who have pensions under the Pension Act?

Mr. BURNS: That is so.

Mr. GREEN: That is correct. I think Mr. Jutras made some suggestion earlier that it was not tied in with the Pension Act.

Another question, Brigadier Melville: Dr. Lumsden has said that the basic principle in Canada has been throughout that the amount would be based on the wages earned by a common labourer. Is that correct or is it not?

Mr. MELVILLE: The amount of pension paid is based on the relevant sections of the Pension Act. There is no mention in the Pension Act of cost of living or labourers' wages.

Mr. GREEN: No, but do you deny that in all the meetings of the special committee on Veterans Affairs in the last fifteen years it has been admitted on all sides that the amount of the pension was based not on what a man might be able to earn, but on the wages of a common labourer in Canada?

Mr. MELVILLE: I make no denial. The award of pension relates to handicap on the labour market. As has been brought out in previous committees, a violinist might lose the tip of his finger. He might be one who could command a very high remuneration for services which he would be no longer able to perform. So it is based on the general level, on one level common to all we arrive at a basic pension.

Mr. GREEN: And that level has been the wages of a common labourer in Canada?

Mr. MELVILLE: In general.

Mr. GREEN: In general, that is your answer?

Mr. MELVILLE: In general, in so far as the disability is a handicap.

Mr. GREEN: So Dr. Lumsden was right when he said that the basic principle of the Canadian pension system was that the amount of the pension was based throughout on the wages of a common labourer. A good many of us have quarrelled with the fact that it is based on such a low rate.

Then he also said that the supplementary principle was that the amount of the pension to be given to the 100 per cent pensioner was what was called the minimal existence or support. That is correct, is it not?

Mr. MELVILLE: No.

Mr. GREEN: Then in what way is it incorrect?

Mr. MELVILLE: I never said that.

Mr. GREEN: No, no. I did not say that you did. Let me repeat the question. Dr. Lumsden stated in his opening today that another principle, a basic principle of Canadian pension legislation was that the 100 per cent pensioner would be getting enough for minimal subsistence. I think those were the words he used, or minimal subsistence or minimal support. Anyway, the words were to the effect that the 100 per cent pensioner was supposed to be drawing enough to enable him just to get by. Is that the picture, or is it not?

Mr. MELVILLE: That is not the picture. 100 per cent is the degree of compensation which is awarded, or which is paid to the man who is totally disabled. I did not say at any time that the award was related to wages. It is a compensation for the degree of disability. And it is our responsibility to determine what the degree of disability is.

Mr. GREEN: But you do not dispute that it has been the generally accepted belief in the department, and by a number of these special committees on Veterans Affairs, that if a man is getting 100 per cent pension, he is getting a minimal subsistence?

Mr. MELVILLE: I cannot agree with that. The man that you speak of who was totally disabled is awarded the basic pension which parliament decreed should be paid to him. The Canadian Pension Commission which administers the Act pays that amount.

Mr. GREEN: I grant that. But getting down to the amount: Has it or has it not been generally considered that the amount in actual dollars and cents which a 100 per cent pensioner gets is based on what he requires for minimal subsistence? You know that that is the case, surely?

Mr. HOSKING: Mr. Chairman, I do not think that the Chairman of the Pension Board should have to state his opinion on the amount of the pension, and what it means to the veteran.

The CHAIRMAN: Mr. Hosking, I appreciate the point which you have raised with respect to the officials of the department. They are brought to the committee for the purpose of answering questions which are matters of fact according to their administrative knowledge.

But with respect to opinions, I think that the senior officials who are with us have both experience and discretion enough to determine whether or not they should express matters of opinion. So I have not interjected.

Another thing: Mr. Melville, as a witness, is not obliged to draw deductions in his evidence. And I think that the Chair will adequately protect, if his or her deputy's discretion should fail—something which has never yet occurred in their cross-examination.

I do not want to give the committee the impression that these people are here to give opinions or to argue a case, and if we become threatened with anything like that, I promise you I shall intervene. Thank you.

Mr. GREEN: I suppose I should start over again.

Mr. GOODE: That is too bad. I am sorry about that.

Mr. GREEN: Brigadier Melville, as you know, the pension before 1948 for a single man drawing 100 per cent, was \$75. I think that is the correct figure, is it not?

Mr. MELVILLE: Yes, sir. The pension before 1948, for a man who was totally disabled, was \$75. That is correct.

Mr. GREEN: And it is now \$94, or about \$94?

Mr. MELVILLE: That is correct.

Mr. GREEN: What I am trying to find out is whether it has not been generally accepted that that pension was supposed to be a minimal subsistence?

Mr. MELVILLE: I do not know what opinion parliament arrived at in that regard. The Commission has no discretion in that respect. The rates are set down. We have in the Pensions Act schedule A, which gives the pensions to be awarded for disability, and schedule B, which gives compensation for death. It is our responsibility—and a very very serious one—to see that every one who is entitled, is compensated to the full extent of his disability.

The CHAIRMAN: Perhaps it would help if you asked questions on points of fact and administration rather than on matters of opinion.

Mr. GREEN: I shall not press the question.

The CHAIRMAN: Thank you.

Mr. GREEN: When you were making your statement a few moments ago you said something about the practice followed by the commission. First of all, you have to determine whether or not the disability arises from service?

Mr. MELVILLE: That is correct.

Mr. GREEN: That is an essential in every case, is it not?

Mr. MELVILLE: Basically.

Mr. GREEN: That is basic. And once that has been determined, then you have to determine the extent of the disability. That is correct?

Mr. MELVILLE: That is correct.

Mr. GREEN: You do not determine, and you are not concerned with the amount of disability which does not arise from war service?

Mr. MELVILLE: No.

Mr. GREEN: You are only concerned with the amount of disability which does arise from war service?

Mr. MELVILLE: That is correct.

Mr. GREEN: In other words, you do not deal with a man's total disability, unless all of it arises from his war service?

Mr. MELVILLE: That is true.

By Mr. Green:

Q. And now, Dr. Lumsden, I would like to ask you a question. The other day when the National Council were here, they said that if there is to be an unemployability supplement, it should be tied up with the war veterans allowance and not connected in any way with any pension. What have you to say to that?—A. I would agree, that it should not be connected with the Pension Act at all.

Q. You think that if there is to be any such grant, it should be worked out through the War Veterans Allowance and not in any way connected with pension?—A. Yes.

Mr. CRUICKSHANK: Has any estimate been made as to the cost of administering this separate thing?

Mr. BURNS: We have not made any special estimate. We think we can carry on with the staff we have at the present time, who by and large would be the people engaged in Veterans Welfare work throughout the district.

Mr. CRUICKSHANK: What is the total amount of the estimate?

The CHAIRMAN: \$2 million.

Mr. CRUICKSHANK: I understand the opinion of the department is that it is not going to cost any additional money for this—call it what you like. I call it a means test. You can call it what you like—for this examination as to whether they are employable or not.

Mr. BURNS: Unquestionably our people will be occupied for some of their time in doing that work. But I would say that it would not be necessary to add to the staff to do that work. If we did not have it to do, of course it might be possible that here and there we could reduce the present staff.

Mr. QUELCH: I gather from the legion brief that their main fear is that this proposed legislation may be regarded as the thin edge of the wedge to bring in a means test.

For years we have heard different people suggest that a means test might be imposed upon pension legislation. In fact, I think some statements were made at the early part of this session. They would undoubtedly increase the fear in the mind of the legion.

I do not think any member here would say that this legislation may not be the beginning of means test legislation. Subsequent governments or committees may regard this legislation as the beginning of means test legislation. After the payment of \$40, we demand to know whether the pensioner's means of livelihood has been improved through employment. We say that where a pensioner's income has been increased as a result of employment, he may not get that increase in pension.

The CHAIRMAN: To be clear, what you are saying is that he will not get the supplement for unemployability, if he is working.

Mr. QUELCH: Yes. That will become part of his pension. What we are saying there is that the pensioner will not be able to receive a maximum pension if he is employed. And in the future committees looking at that situation may well say: If it is right that a pensioner who is employed cannot obtain a full pension, then why should the 100 per cent pensioner who, let us say, may be receiving \$3,000 income—why should he receive the full amount of pension? This may be the very step which will suggest to members in the future that a means test should be imposed right across the board on the pension legislation. I think that is the fear which is in the legion's mind.

I know that it gives me a good deal of concern: that this may be the first step towards the introduction of regular means tests throughout pension legislation. That idea is not new. The chairman knows that; and he knows that similar suggestions have been brought up time and again. That, I think, is the underlying fear in the legion's mind.

The WITNESS: Undoubtedly; and there is also the fact that the need caused by the depreciated dollar is not going to be met by pensions. You have no standard at all for pensions. It will be left entirely up in the air. It is not related to anything in this world or the next.

The more you think about it, the sooner you will come to the conclusion that in all your planning about pensions you will have to establish some recognized standard. We submit that there has been one standard which has developed over the years.

Mr. THOMAS: Mr. Chairman, I would like to say one word to what Mr. Quelch has said. It seems to me that there is quite a fear among some of the members of this committee that those who are employed would get more benefit if there was an across the board increase in pensions.

That may be true, but it also may be true that a good many of these men who are recipients of pensions have adequate employment and are making good money. However, the fact remains that in industry a person gets ahead

as a result of his ability and industry; and the fact that these men who are at least partially handicapped do have jobs would indicate that they have high ability and are ambitious. But the fact that they do have good jobs would indicate that if they did not have their disabilities, then their jobs, their employment, might be much greater than what they have at the present time. Now, there are no kicks in any industry about a person who is willing to get ahead, and there is no doubt but that he can get ahead, and it might be that this fellow who is, let us say, making \$3,000 a year, might go ahead and get a \$10,000 a year job, but due to this disability he cannot get any further ahead than he is. I cannot see that this should apply only to those who are unemployable because the fact that a man is employed does not mean that his disability is not holding him back at all, and those men who are willing to work and who have employment and are working, because of their disability, should be allowed that pension to make up for the advancement that they might lose if they did not have this disability.

The CHAIRMAN: Before I call on Mr. McMillan, I would like to say one word: We have been proceeding this morning, some of us, on the assumption that the disability supplement is a substitute for, or closes the door against, a general increase in pension at this or some other time; and I suggest to the committee that there is nothing in the item which is before us to indicate that, and nothing has been indicated in the thinking of those who have spoken to us that this is in effect what is taking place. This supplement is an attempt to meet an admitted situation which arises now and, to some extent, a form of insurance against the aggravation of this situation. I do not think we should allow our thinking on this admittedly important question to be clouded by the fact that this is a sort of fire door between any person and an increase of our basic rate of pension; that to me is to confuse the question before us. I just wanted to interject that at this point. Mr. McMillan, you have the floor.

Mr. McMILLAN: What I would like to know is this: is this the last time Dr. Lumsden is to be with us?

The CHAIRMAN: I presume that Dr. Lumsden has some time to give us, but we might as well finish this up. It is pretty obvious we will not be through at one o'clock today and so I propose to have a motion that we adjourn to this afternoon. Can you be here this afternoon, Dr. Lumsden and conclude our discussion, if we can?

The WITNESS: I can be here.

Mr. McMILLAN: I wanted to ask Dr. Lumsden how the basic pension is tied in with the cost of living in other countries. This was adequately answered for us here in Canada, but how about other countries, I mean the United States, New Zealand, Australia and so forth. I should also like to ask Dr. Lumsden is it not a fact that veterans' pensions in many cases are progressively raised? For instance, I heard the other day the case of a 20 per cent pensioner who, as the years go on, he gets progressively disabled and his pension is raised. What would happen with a 40 per cent pensioner who got into an automobile accident and got fully disabled? What would happen to a 40 per cent pensioner who became an alcoholic? Those are specific questions and I suppose I could refer to you people here—I would also like to ask a question in connection with the 6,000 veterans.

The CHAIRMAN: It was estimated that 6,000 would apply under this vote.

Mr. McMILLAN: And whether or not you would be satisfied if the means test were left out.

The CHAIRMAN: Are those your questions?

Mr. McMILLAN: Yes.

The CHAIRMAN: Your questions are divided, I think, Mr. McMillan. The last question should be directed to Dr. Lumsden and the first two could be answered by Mr. Melville.

Mr. McMILLAN: It is the means test that Dr. Lumsden takes exception to, is that right, on behalf of these 6,000 proposed applicants?

The WITNESS: No, that is not quite correct. What we take exception to, and I would like to reiterate it, is that the depreciated dollar has cut all pensions by 30 per cent and that this is an attempt to meet that problem by applying the principle of need, that is, to the unemployable in the high pensionable group. That is 45 per cent for the married and 35 per cent for a single man. This unemployability supplement, if it were something that was not tied in with pensions, I do not know whether we would have anything to say about the means test. But to use it instead of a pension so that the compensation of pensioners is determined by proven needs rather than by disability—that is the thing we object to.

Mr. MELVILLE: Mr. Chairman, may I endeavour to answer Dr. McMillan's question? He asked what would happen in the case of a 40 per cent pensioner who met with an accident and I take it became totally unemployable. If he were a single man then I would imagine he would qualify for the unemployability supplement. If he were a married man his pension for himself and his wife would amount to \$50 a month and as a former commissioner of war veterans I would like to say that if he applied for the War Veterans Allowance Act and was unemployable then he would be entitled to war veterans' allowance of \$41.66 a month which in addition to his pension would give him \$91.66 a month equivalent to a total of \$1,100 a year, which is the ceiling. In other words, he gets \$1.66 more by coming under war veterans' allowance legislation than coming under the unemployability supplement.

Your second question, Dr. McMillan, related to a man who was a chronic alcoholic. If as a result of that condition he was unemployable or under the War Veterans Allowance Act unemployable, or incapable or likely to be incapable of maintaining himself, he would most likely be awarded war veterans' allowance but because he is an alcoholic I consider they would pay that to his wife or somebody else for administration on his behalf.

Mr. McMILLAN: I asked the question about how the basic pension is tied in with the cost of living in other countries. That was not answered as yet. I would like to know that. I am a new member of this committee and I would like to get some idea on that comparison.

The WITNESS: I am not an authority on the pension legislation in Great Britain and New Zealand and other countries but we notice here that New Zealand, that the returned men's association there indicate they apparently do not have any standard there at all by which to determine what a pension should be. The pensions, for example, that were granted in Canada in 1915, the pensions that were paid to the war disabled for total disability were something less than \$300 a year. Now, I have not any idea at all what the basis of that award was.

The CHAIRMAN: On rates of pay and allowances.

The WITNESS: And I suspect that over the years pensions were first granted as an act of charity and were kept on the minimum basis they could get along with, but our legislation has fortunately gone far beyond that.

Mr. McMILLAN: Do you know anything about the United States?

Mr. BURNS: I asked our research adviser regarding this and we have not any information either as regards the United States, the United Kingdom, New

Zealand or Australia, on any arrangements for adjusting the pension in accordance with the cost of living index.

Mr. CROLL: Mr. Chairman, may I just follow through with Dr. Lumsden. In view of what the chairman said a few moments ago, because he is close to the thinking of the department, and to the minister, with his long years of experience in addition to that, and your answer to Mr. Quelch when you said that the fear was, that the present unemployability supplement may be used instead of a pension increase. Assuming for the moment that we divorce those two, let us deal with them each on their own. The chairman assures us that that is not the intention of the supplementary allowance. Now, will you please deal with the supplement on its own, leaving out the word "major" and tell us exactly what objections you have to that, assuming that the administration is the same sort of administration that we previously had with respect to war veterans' allowance and similar legislation. Now, what can you say on that point?

The WITNESS: In the first place, Mr. Chairman, I would say that it cannot be divorced by the terms of reference from the pension because it expressly is intended to meet the subsistence needs of a totally disabled war pensioner who is unemployable and we contend that the pension itself should be adequate for that, but if you are trying to say, well supposing the pensions were brought up and made adequate what would be our reaction to this thing, then there would probably be matters of administration that would trouble us. I do not know that we would have any objection in principle with it, but there may be matters of administration. I see certain problems.

The CHAIRMAN: Let us know what they are, Dr. Lumsden. I am curious to know what these difficulties might be. You have referred to them several times this morning.

The WITNESS: We have not examined it in detail but I notice in the report of one of the meetings that one of the members brought up the case of a man who was acting as the janitor of a school getting \$20 a month, and he wanted to know if he would be classed as unemployable and the reply of the deputy minister is that that would probably be interpreted as casual earnings. Could you tell me on what scale the janitor's earnings would be where he would pass over from casual earnings to unemployability?

Mr. BURNS: That is something we will have to learn from experience. One cannot make any arbitrary decision.

Mr. QUELCH: May I interject, Mr. Chairman? I was the one who brought up that question and I mentioned I was interested in a case. Saturday morning I telephoned Colonel Garneau and asked him whether it would be possible to pay the war veterans' allowance to an elderly war veteran who in this case was over 80 years old, and who was doing janitor work at \$20 a month, and he said that under the war veterans' allowance we could not possibly consider the \$20 a month as casual earnings. He said if it was for one month or even two months, yes, but if he is regularly employed at \$20 a month as a janitor that could not be considered casual earnings.

The CHAIRMAN: I remember the incident and I am quite sure you were asking whether under the war veterans' allowance it had to be regarded as regular income. I feel sure had I answered I would have said they would have regarded \$20 a month as income. My understanding was the deputy and you were discussing administrative problems with respect to this supplement. I think the deputy ventured to give us his opinion of how the question might be considered in administering this supplement. You will understand, of course, that the regulations and the instructions to the provincial groups had not been formulated as yet and I took it for granted that the deputy was visualizing what might happen to this supplement. There is no question in my mind that \$20 a month under the war veterans' allowance would be treated as regular earnings.

Mr. QUELCH: Then, as a consequence of receiving \$20 a month he would lose \$40 a month, therefore he might as well quit his job. If under this legislation a pensioner was doing work as janitor at \$20 a month then if that could not be defined as casual earnings he would either have to stop his employment as janitor in order not to lose the \$40 unless you have a different definition of casual earnings under this than you have under the War Veterans' Allowance Act.

The CHAIRMAN: There is no question that in the administration of the regulations governing the war veterans' allowance what you say is correct. I took it that the deputy was indicating that was one of the matters that had to be decided in evolving regulations for this specific piece of legislation. I can assure you those regulations are not yet completed; they will be completed, I think, in the usual method of trial under administration. They will be formulated, of course, to begin with, but your question was asked to deal with the war veterans' allowance, and when the deputy answered he was projecting his mind into what would probably have to be done with regard to the supplement.

Mr. BURNS: May I say something in further explanation of what I said at that time on the several cases that were given. Some were given by Mr. Herridge and one by Mr. Quelch, and those were all cases of people receiving minimum earning to judge by the amounts mentioned—amounts which certainly could not be regarded as wages of full employment. \$20 a month is not full employment wages these days, and is not within one-fifth of it. In those cases, it was my opinion that a man earning such small amounts would not be regarded as employed, in the administration of the Act.

Mr. HERRIDGE: I was just going to mention that Mr. Quelch had a lapse of memory. I happened to raise the question about the janitor.

Mr. QUELCH: No, no, but I raised the point—

Mr. HERRIDGE: The deputy minister answered the question. I mentioned the janitor and the saw filer. The saw filer was getting \$20 a month and the janitor \$15 or \$18 a month paid through the year. The deputy minister said in each case I mentioned they would consider it as casual income—casual earnings.

The CHAIRMAN: I want to make clear the fact that the questions were based on the procedure under war veterans' allowance and the answer was projected into the future in devising regulations for this supplement.

Mr. QUELCH: I would just like Mr. Herridge to check the record and he will find that in my case it was based on this.

The CHAIRMAN: Well, I am not going to allocate the janitor to anyone but the fact is the discussion is there.

Mr. CRUICKSHANK: A saw filer getting \$20 a month?

The CHAIRMAN: In British Columbia.

Mr. CRUICKSHANK: In his riding.

The WITNESS: Regardless of where you set it, whether it is \$15 or \$20, that is regarded as casual earnings, if a man gets \$5 more than that he will be confronted with the same problem. He will have to surrender that or give up his job to qualify for this. On page 26 there is this: "Now, there is one qualification regarding income from other types of pension. When a universal old age pension without means test is made law, as it is expected to be, a pensioner who qualifies for it will receive that award and not the employability allowance, that is, after the age of 70. In accordance with the same principle, a pensioner who retires after completing his ordinary period of working service with a government or a large corporation and who receives superannuation or retiring allowance from the government or corporation equivalent to the universal old age pension, will not be considered to fall in the unemployable classification."

I think there the thought is that a person who receives superannuation more than the old age pension will not be eligible for this. Now if he received \$50 a month as a single man by way of superannuation, it would be to his advantage to have only received \$40 because then he would be eligible for this—whereas if he gets \$50 he would not.

I do not understand how you are going to meet it.

Mr. BURNS: Well, Mr. Chairman, that admittedly is a problem which only experience will be able to resolve. I do not think it is going to be a question of setting any hard and fast line for superannuation beyond which people will not be eligible.

The reason for adopting this principle is a man on a superannuation pension is not considered in the unemployable category—the category of a man looking for work and who cannot find it. If a civil servant retires at 65 as is customary and goes on a retiring superannuation allowance of \$2,000 or \$3,000 a year—

Mr. CRUICKSHANK: How many of them do that?

Mr. BURNS: There are some. If such a civil servant wished to take work and cannot find it, then it seems to me that he would fall within the category of those for whom this allowance is payable.

Mr. CROLL: Mr. Chairman, may I suggest that we adjourn until 4 o'clock this afternoon?

Agreed.

The committee adjourned to meet again this afternoon, May 28, 1951, at 4.00 p.m.

AFTERNOON SESSION

The committee resumed at 4.00 p.m.

The CHAIRMAN: Gentlemen we have a quorum. When the committee rose this morning we were discussing the Legion brief with Dr. Lumsden. We will continue that for this afternoon's period. Dr. Lumsden has intimated to me since we rose this morning that while he was able to make arrangements to be with us this afternoon he does hope to get away tonight with a view to looking after his personal affairs in connection with getting away to England.

Perhaps it does not need to be suggested by me that we should conserve his time as well as our own and get promptly to the matters for discussion this afternoon.

Dr. C. B. Lumsden, M.M., Dominion First Vice-President, Canadian Legion of the British Empire Service League, recalled:

The WITNESS: I would like to put something into the record, as a matter of personal privilege. I am given to understand that there are some members of the committee who are not quite sure of the genesis of this brief and are inclined to think that it is composed by a few individuals. I would like to have included in the record the basis of the presentation if it is agreeable to you.

Agreed.

Most of you gentlemen are acquainted with the constitution of the Legion and know that its policy is determined by branches. That would not be true, I suppose, of the people to whom *Hansard* goes and I would like to outline the background of this brief of ours.

It grew out of the resolutions from the individual branches across Canada which came up through the provincial commands, then on to the Dominion Command, screened by a resolutions committee, and presented at the dominion convention in Winnipeg last year where it was unanimously adopted.

The dominion council then gave to Mr. Titus of the T.V.S., Mr. Robert McNicol, the British Columbia member of council, and myself, the task of preparing a brief to substantiate the request for an increase in pensions. This we did and submitted it to the entire council of the Canadian Legion which includes representatives of every province in Canada, representatives of the T.V.S., representatives of the Imperials, representatives of the air force branch and of the navy, besides the various officers. There were also two representatives of the United States commands. The brief was unanimously endorsed at the meeting last December. Then, Group Captain Watts and myself were given the task of bringing it up to date when we had actual representations brought down before the parliamentary committee.

That has been done, so this brief is not the expression of any one individual or any two individuals, but it is a crystallization of the thinking of the Legion right across Canada, and its basis is as broad as the membership of the Legion itself.

The CHAIRMAN: Thank you, Dr. Lumsden.

Mr. GOODE: Mr. Chairman, sometime this morning Mr. Lumsden read into the record part of the remarks by the minister at Montreal on Saturday. I took the trouble to get this report because although what Mr. Lumsden read into the record was correct, nevertheless I think Mr. Lapointe's remarks as reported in the *Citizen* this morning should be read in full. Those remarks only take three or four inches in the paper but they do give a little different opinion to my mind than what a small part of the article would present.

Mr. Lapointe said the proposed unemployability supplement will be an all-or-nothing payment to pensioners who can't work. It had been argued by the Legion and others that there should be instead an across-the-board increase in basic rates for all pensioners.

This would ignore the fact that 90 per cent of the 167,000 pensioners are fully employed and thus getting today's high wages.

Our proposal is to help those pensioners who can't earn. It is a supplementary grant to pensioners with major disabilities who have become unemployable.

It begins with the 35 per cent pensioner if he is single, 45 per cent pensioner if he is married. To the former the supplement is \$20 a month, to the latter \$40. It is an all-or-nothing grant. Either you get it or you don't. There is no means test. The only requirement is that the disability is a factor in the unemployability. The qualifying conditions are not income or possessions but physical disability and unemployability.

I thought that should go into the record and there is one question I would like to ask Dr. Lumsden:

The government has seen fit to employ an amount—\$2 million is suggested—for this supplement. Thinking over what you said this morning I wondered, during lunchtime, what your impression would be if we went along with you but if we said we only had \$2 million available—and that must be government responsibility. What would be the position then? If the government says we are going to give some single pensioners and some married pensioners an amount of \$20 or \$40 a month what would be the position? If we put in your plan of an increase in the basic pension and still only spread over that \$2 million which the government says is available, what would be the position then?

The WITNESS: Well, Mr. Chairman, the gentleman is describing a situation or condition which is absolutely divorced from reality.

Mr. LENNARD: Could I ask you a question?

Mr. GOODE: I would like an answer if I possibly could have one

The WITNESS: Well, let us put it this way. If the dominion government only had \$2 million to give all needy war veterans in Canada, what would you do?

The CHAIRMAN: I do not want to intervene in any form of questioning but if that is Dr. Lumsden's answer to the question—have you anything more you want to say, doctor?

The WITNESS: Well, he has put a hypothetical question there which I do not think has any relation to reality. Supposing there was no such thing as a war pension and the government only had \$2 million to give to the war disabled, obviously you would have to pick out those that had the most desperate need, but I do not think that has any bearing on the situation.

By Mr. Croll:

Q. Mr. Lumsden, would you look at your brief on the bottom of page 11? Perhaps I am misinterpreting that.—A. Yes, I have it here.

Q. Has that any bearing at all, in your view, on Mr. Goode's question?—A. The bearing is not obvious to me. Would you make it clear?

Mr. GOODE: If the chairman would allow me I might develop that a little further. It was not a question designed to put you in any awkward position but the government has said that is all the money that is available, taking into consideration the defence budget and so on—and every member of this committee knows the difficulties. The government has said there is \$2 million available and what I want to know from you is this and I think you gave the answer in part: If we only had \$2 million would it not be better to apply it to the higher percentage disability veterans?

After all, everything you have in the Legion has not been obtained in one or two or three years. I think you stated this morning that you waited twenty years for the 25 percent increase in pensions. Is it not better to get a little now and come back later? Is not that the way you do business with the government?

The WITNESS: I would much rather—if it were a question of what to do with the money—make war veterans' allowance available to veterans without considering pensions as a means of income.

Mr. LENNARD: I just want to ask you a question. I may be rather dumb but I would like to know where the department gets the figures of 167,000 for pensioners of whom 90 per cent are fully employed? How do they arrive at that figure?

The CHAIRMAN: By the way, I think I am responsible for the 167,000 the other day. It really is 161,000, but General Burns can give you that.

Mr. BURNS: Mr. Chairman, I think a table was given in the evidence of the director of casualty rehabilitation which gave the experience of the 35,000 odd most seriously injured veterans who have been applying either to the department or to the National Employment Service for assistance in getting employment. There you see that all but about 10 per cent of them are employed, exclusive perhaps of some in hospitals receiving treatment.

Mr. LENNARD: Fully employed?

Mr. BURNS: We consider them to have jobs and not jobs which are \$20 a month janitors' jobs.

Mr. LENNARD: 35,000 have applied?

Mr. BURNS: 35,000 of the most seriously injured. Now you will recall, possibly, that I said in my evidence that we have not any direct means of finding out how many veterans there are who have as it were dropped out of the employment market, but what we did do was to check and find from National Employment Service during the month of February, I think, or late January, how many they had on their books—how many disabled pensioners they had who were looking for employment. I think the figure was something under 3,000 which of course is much less than the 10 per cent I referred to. It indicated that our general view that less than 10 per cent of pensioners were unemployed at the present time appeared to be correct.

Mr. LENNARD: I would say there are less than 10 per cent looking for employment but I would not say that the other 151,000 are fully employed?

Mr. BURNS: Certainly we could not say that.

Mr. LENNARD: That is why I question the figure?

Mr. BURNS: Any man who is unemployable would be eligible for this supplement whether he has been previously registered as unable to find work or not.

Mr. HERRIDGE: I would like to ask a question. Does Dr. Lumsden not think this application for supplementary allowances produces a very remarkable means test in so far as it would be possible for a veteran to have \$500,000 in the bank and yet receive the allowance, whereas a small pensioner in industry earning \$35 a month would not get the allowance?

The CHAIRMAN: In what way can that be a means test? You intrigue me by the way you phrase the question.

Mr. HERRIDGE: I am just asking the deputy minister.

The CHAIRMAN: Maybe he knows, I do not.

Mr. BURNS: My understanding is that a means test is inquiring into a pensioner's bank account, property, or other financial affairs of the recipient of some benefit or other—something objected to very strongly by some people in regard to war veterans' allowance. It has been eliminated here.

As I explained, a man who is retired after his working life, at 65 it may be, would not be considered to be in the unemployable class. There was some discussion of this with the members of the National Council of Veterans Associations who were here last week and the point was made, by one of them actually, that some men in going to work for the government, for example, or a large corporation, have provisions in their terms of employment that they shall receive after a certain age a pension—that they shall retire from work and receive a pension. That is regarded as delayed compensation.

The government, in the case of superannuation for a civil servant, as you know, contributes largely to that—as well as does the civil servant himself. That is also the case with most corporations which have a pension plan.

So, admittedly following on the practice of the United Kingdom in this matter, we felt that this seemed a reasonable way to look at it and it was not of itself a means test.

We have made a proviso to which I have previously referred here that if a man is retired on a quite small superannuation, as some have been known to in the past—and cases will occur to all of you—and if he feels that he must have some other employment to supplement his war pension and the superannuation he gets from whoever was employing him, and if he says to us: find me a job or give me the unemployability supplement—then he would be eligible for the supplement if we could not find him a job.

Mr. CRICKSHANK: Like yourself I am intrigued, Mr. Chairman. Would you mind telling me when the government said that all the money that was available was \$2 million?

Mr. CROLL: He did not say that.

Mr. CRUICKSHANK: I am asking the questions. Mr. Goode definitely said that.

Mr. CROLL: He said "if".

Mr. CRUICKSHANK: If the chairman cannot answer possibly my friend from British Columbia will assist me in getting the answer and we will come to Toronto later.

The CHAIRMAN: I am intrigued too.

Mr. CRUICKSHANK: As I understood it this particular bill is for \$2 million and it is entirely misleading to say that \$2 million is all that is available. I would like to know if the government ever said that \$2 million was all that was available?

The CHAIRMAN: There has been no declaration on the part of the government or any responsible officer of the government that \$2 million was all that was available at this time to deal with the problems of disabled pensioners. I did not understand Mr. Goode to infer that there was—Mr. Goode was building up, I thought, a hypothetical question, and he asked if this declaration were made and we were faced with this situation what would you do with the \$2 million. To that Dr. Lumsden answered. I did not understand Mr. Goode to state that he had any authority for saying that is all the government had.

Mr. CRUICKSHANK: I did not say that he did.

Mr. GOODE: You said that if the chairman could not answer it—but let me put the question to you? What would you do?

Mr. CRUICKSHANK: I would be delighted to answer. I would increase the \$2 million to whatever amount was necessary.

The CHAIRMAN: That removes that discussion from the realm of conjecture.

Mr. GOODE: Spoken as a sergeant major.

Mr. PEARKES: Who can tell me how the \$20 and the \$40 amounts were arrived at? Have they any relation at all to the one-third increase recommended by the Legion? Is it one-third of any amount which an unemployable pensioner might get? Is there any relation between the two?

The CHAIRMAN: I would think the answer to the last two questions would be no.

We are engaged in parliament at the present time, as you know, in attempting to work out, in conjunction with the provinces, a system of old age security based on \$40 a month at the age of 70. I am quite sure, in the thinking of the department, they were attempting to set forth a program which would extend the benefits which it is hoped will ultimately be available to all of those persons who can qualify on account of their services in the forces—in advance of what might come later. I am sure that basic to the thinking would be a form of proposal such as that being made at the moment—what most members of the House hope will be at least the beginning of ultimate security for old age all across the board in this country. In my own thinking I am quite sure there was no relation to the percentage of increase advocated by the Legion in their present brief—any more than there was to their previous recommendations.

These things go by discussion, and so far as I know there is no relation in practice to the proposal suggested in theory in the brief—in this or in any other legislation.

Mr. PEARKES: May I follow that up one moment, please. In the case of a 75 per cent pensioner or a 100 per cent pensioner, is the \$40 or \$20 more or less than a one-third increase in the pension?

The CHAIRMAN: In the case of the 75 per cent disability pension it is a 43 per cent increase. The minimum increase for the 100 per cent pensioner is

32 per cent. The minimum, under this, for the group affected, is 32 per cent. The maximum which is reached by 75 per cent disabled pensioners is 43 per cent. I say that in case you have not the chart before you. I have given the maximum and the minimum in the case of a married man.

In the case of the single man, it is simply a halving of responsibility. The increase in the case of the single man is, at 55 per cent, 38; the maximum increase is 38; and it drops to 21 per cent for the 100 per cent single man.

Mr. BROOKS: Has it any connection with the cost of living at all?

The CHAIRMAN: My personal opinion is: No.

Mr. PEARKES: Returning to what I was just saying, if one-third increase is given all across the board, some veterans would not get as much as they are getting under this proposed scheme. Is that correct?

The CHAIRMAN: I would think so. In the case of the married man, all of those over 45 per cent would get less under the one-third increase except the 100 per cents, who would get a 32 per cent difference.

Mr. GREEN: Will the effect of the new pension at age 70 without a means test be that no veteran of 70 years of age or over would qualify for this unemployment supplement?

Mr. BURNS: It is intended, Mr. Chairman, that when the universal old age pension at 70 comes into effect, any pensioner who might have this unemployment supplement would not draw both. He would receive his universal old age pension.

Mr. GREEN: So, after the first of the year, provided the new old age pension becomes law by then, no veteran of 70 or over would qualify for this supplement?

The CHAIRMAN: Would qualify for both.

Mr. GREEN: He would not get the supplement if he qualified for the old age pension. He would not get the supplement?

The CHAIRMAN: Provided he got it.

Mr. BURNS: He would get one or the other.

Mr. HARKNESS: He is bound to get the old age pension if he is over 70.

Mr. HERRIDGE: Brigadier Melville answered a question for Mr. Green on what the pension was based. Now I would like to quote from the 1948 committee report at page 112 where Mr. Green asked:

Mr. GREEN: Is the statement made by Mr. Herving correct? The pension is based upon the ability of the pensioner in the common labour market? I would like to get an answer to that...

The WITNESS: Generally speaking I would say it is correct.

Mr. MELVILLE: I would reply: Disability is compensation for a handicap in the general labour market, yes. I have always said so, and I have always understood it so.

The CHAIRMAN: I am not going to attempt to direct the committee; but I can promise you that in our further deliberations in this committee I shall see to it that the officials of the department are here to discuss this with you very fully. I would wish therefore that today's discussion would conclude whatever is required in the way of clarification from Dr. Lumsden.

Of course, in dealing with that, if any point arises, the officials would be glad to be helpful. But perhaps we might reserve our questioning of them until we have concluded the examination of Dr. Lumsden and his report.

Mr. GOODE: Might I develop this across the board idea?

Mr. LENNARD: Louder, please.

Mr. GOODE: Give me a chance, everyone else can hear me. As I was saying, I would like to develop this across the board story for a moment.

How much, Mr. Lumsden, do you think it would cost the Government of Canada to put this in? I do not think you have told us the amount it would cost if it were put in across the board?

The WITNESS: It would amount approximately to \$22 million, from the information that we have.

Mr. GREEN: Would it cover the hardship cases, if there was a general increase across the board?

The WITNESS: Could you make your question a little more explicit, Mr. Green? You mean: Would it cover the hardship cases that the unemployability supplement is supposed to do?

Mr. GREEN: That is right.

The WITNESS: In case of the 100 per cent disabled pensioner, it would be for the married man equal to this, but for the single man, it would be quite a bit better than this.

Then it would come down on a sliding scale until you arrived at the state where the unemployability supplement would mean more to the person who got it than the increase in pension. But then the unemployability supplement, according to the department's figures, would reach 6,000, while the other would reach 160,000 odd.

The CHAIRMAN: Do you recommend as authoritative this table which you filed at the conclusion of your brief? I mean the Toronto Welfare Council table, which you filed as an appendix. Do you regard it as being typical across the country, or having reality? Do you accept these figures as being reliable?

The WITNESS: This was compiled by the Director of Research for the Toronto Welfare Council. I suppose the figures were applicable only to Toronto. I am not an expert in the social sciences. I looked over the basis upon which they formed their conclusions. There are a lot of things left out which I would think any family would have to have.

But even on that minimal basis, as the cost of living index of last November indicates, you will see that the very minimal basis for a veteran and his wife is greater than his pension at the present time. This is not supposed to provide for luxuries at all.

The CHAIRMAN: I was struck by two things. They give here a widow living alone, at age 30, and they show the amount as \$88.62; while for a widow living alone at age 60, they show the amount of \$79.89.

Does that seem to make sense?

The WITNESS: I would say that a widow at age 30 would spend more on permanents than would a widow of age 80.

The CHAIRMAN: I think that is probably the best explanation of a non-sensical division I have ever seen.

For a single veteran with 100 per cent disability living alone, the amount indicated is a minimum, according to this table, of \$93.34.

This person gets \$94 and it is proposed to give him \$20 more.

For a veteran with 100 per cent disability with a wife but no children, the amount indicated is \$153.43. He is now getting \$125, and it is proposed to give him \$40, which will make it \$165.

When we come to the fourth one, for the veteran with 100 per cent disability and a wife and one child, the amount indicated is \$176.45. He is now getting \$144 and it is proposed to give him \$40.

For the veteran with 100 per cent disability, a wife, and two children, the amount indicated is \$205.28. He now gets \$159, and it is proposed to give him \$40, which would bring it up to \$199.

There is some relationship to reality I think in this thing.

Mr. GEORGE: Would you complete that list while you are at it, Mr. Chairman?

The CHAIRMAN: Yes. For a widow living alone at the age of 30, it is indicated in Toronto that she gets \$88.62. She would get \$75 under the present pension.

For a widow living alone—

Mr. GEORGE: What would she get?

The CHAIRMAN: It is not provided with respect to her. But I took it down to where the supplement comes in. The widow in question would be getting \$113 at the present time, and there is a proposal in other legislation which is to come before the committee to increase it, for that widow with two children, to \$153. She is now getting \$142.

But the significant ones were the first ones, using these figures. I am thinking of the necessities and the care and attention which a widow of 60 might be expected to need in comparison with a widow of 30, and I wondered if in view of the unreality of the figures, Dr. Lumsden was advancing them as coming from a reliable source of information.

The WITNESS: We simply use them. Mr. Alapas kindly provided them and I suppose you will realize that these are figures for relief work.

That is the minimum which families are supposed to get. I do not know whether you have seen the charts from which they make up these figures. But you will find in this case a great many things which ordinarily I think you would like to see in the budget for any family. For instance, for a child of 16, I believe, there is no allowance at all made for reading material and things like that.

We simply put these in here to indicate that they are on a relief basis. I am quite sure that the people of Canada would not be happy to feel that a totally disabled veteran was living on a relief basis. But these represent the basis which the present standard of pensions tends to measure up to.

The CHAIRMAN: You are aware that nowhere in Canada has relief ever been paid on anything approximating that scale.

Mr. CROLL: That is a dream. That is not reality.

The CHAIRMAN: We are trying to deal with something approaching reality here because we are dealing with someone's pension. That is either your standard or the standard which a welfare worker dreamed up.

The WITNESS: I am not going to argue for the authenticity of the Toronto Welfare Council's research work. It is an established council and their publications are read all across Canada. We all know that any of these figures in social work are open to question. But they were indicated as being a very rough guide.

We had to have some investigation to find out what the actual cost would be and the only organization that seemed to be in a position to do that was the Toronto Social Welfare Council. Their figures are published, and their books are published. These are the figures which their research workers supplied to us. I imagine they would compare with those of similar organizations.

Mr. BALCOM: I would like to get the idea out of anyone's head that these figures are dreamed. I have no doubt that these figures were compiled by socially trained people who see cases such as Dr. Lumsden described every day and night. I would suggest that the appendix given here is quite reliable.

Mr. CRUICKSHANK: Is \$88 reliable? That is on page 30.

Mr. BALCOM: On page 30?

Mr. CRUICKSHANK: Yes.

Mr. BALCOM: Do you suggest that these are not what they found in Toronto? I think you would find the same thing in Vancouver and the same thing in Halifax.

Mr. CRUICKSHANK: I think there is a typographical error in saying that a widow of 30 requires \$88.62. I would suggest that she move from Toronto to some other city.

Mr. GILLIS: Might I be permitted to say that I do not think we are getting very far with the matter which is before the committee. As I understand it, Mr. Lumsden is here with us for the afternoon and he wants to make clear or I want him to make clear to the committee whether they want to accept this \$2 million vote which is before the committee to assist certain types of pensioners or whether they want it to be thrown out. And if we throw it out, we have got to go back to the House for new terms of reference.

The main attack made by the Legion brief on this \$2 million vote has been: (1) the legion contended that it introduces a new principle in pensions. I do not agree with them, and neither does the last body, the amalgamated veterans who were before us the other day.

Mr. CROLL: You mean the National Council.

Mr. GILLIS: Yes. They did not agree with it either. I do not think it touches pensions at all. I wonder if Brigadier Melville would set out clearly the schedule of pensions that is based on medical examination and which is written into the Pensions Act. This does not change the schedule in any way, shape or form.

The second point of attack is that it introduces a means test. The amalgamated veterans did not agree with that and neither do I. I do not think it introduces a means test at all. It introduces a much more difficult test. The means test is not hard to determine. It is a test of need. All you have to do is to take a look at a person's home and cupboards and you can ascertain whether he is or is not in need.

To determine unemployability is much more difficult than to conduct a means test. It involves a medical certificate that you are unemployable. And you will get a different answer from different doctors; and you will get a different answer from doctors in different parts of the country, because a man getting a small pension may be unemployable in a heavy industry section of the country, yet he would be employable in a city such as Toronto.

So, whether we have a means test or a welfare test, I think we should clarify our minds on this definition of unemployability. It is much more difficult a thing to determine. As I see the proposal which is before the committee, it does not interfere in any way, shape or form with the established pension machinery. It is still there and it will work the same. But this does introduce something new, and that is whether pensioners from 35 per cent up are unemployable because of their disability, if it is a contributing factor. Then you have a chance of getting something for them.

I think we should look at it in that light. That does not detract from the necessity of an increase in the basic pension. That is another fight altogether. I would like Mr. Lumsden, before he leaves, to tell us what he wants the committee to do: Whether he wants the committee to chuck this out and go back to parliament for new terms of reference, such as terms which would permit us to deal with the question of increasing the basic pension, because we have not got that authority now.

The CHAIRMAN: We do not need any reference to accept or reject either proposal.

Mr. GILLIS: Yes, that is true. On the other hand, could he tell us that if his organization is prepared to accept this thing as a palliative to the pensioner which will help to bring him some relief?

My opinion is that it is the thin edge of the wedge to get something done for the small pensioner. I am thinking of the fellow with ten, fifteen, or twenty per cent in a place where there is heavy industry. And if you can establish this particular principle, I think we can work on it and improve it as we go along.

I am not arguing against fighting for an increase in the basic pension. But I think we should consider very carefully any offer which is made to us. I doubt very much if we can get something better from the Treasury Board.

I think there has been a lot said about this thing, but I feel the government has made up its mind and is prepared to give that amount of relief to the pensioner who is suffering hardships because of unemployment. And if they have made up their minds on it—I hope by the end of June this session will be over—and if we throw it overboard it might take another year or two in fighting the government on the question of increasing the basic pensions.

We have already got something very certain for the pensioner which the government is prepared to do something about. I do not think there is any argument about the question of money. Suppose it should cost \$22 million to step up the basic pension. Mr. Abbott advertised the fact that he had \$131 million at the end of April as a surplus, so the question of money does not enter into the picture at all.

I would like Mr. Lumsden just to indicate, as did the other body that was here, whether they consider this as a palliative, whether it should contain the means test and that kind of thing, or whether they still insist on the right to continue the fight for an increase in the basic pension. Would Mr. Lumsden just indicate to us now: "Well, get what you can"; or "It is better to go back to parliament and get your terms of reference broadened and continue that fight for an increase in the basic pension." I just would like if he would leave that fully developed with us before he leaves the committee.

Mr. GREEN: On a point of order, Mr. Chairman, we have not yet got a print of the proceedings containing the brief of the National Council. Can we have a copy?

The CHAIRMAN: It was distributed on Saturday.

Mr. GREEN: I did not get a copy. I do not believe that the National Council made any such statement that they were accepting the \$2 million and then would ask for more later on.

Mr. GILLIS: I did not say that they did.

The CHAIRMAN: I did not understand Mr. Gillis to say that. I thought that he was putting his interpretation of their attitude, into his own words. I do not think he was attempting to quote it. I would draw your attention to page 114, where there was a question asked on his, with respect to the means test.

Mr. GREEN: Certainly there can be no doubt about it that they took the stand they were solidly behind the Legion in the request made by them.

Mr. CROLL: No, no.

The CHAIRMAN: If you will look at pages 114, 115 of our evidence.

Mr. CROLL: That volume has not been passed around yet.

The CHAIRMAN: I was informed it was passed around on Saturday. Page 114.

Mr. GILLIS: I do not want Mr. Green to put words into my mouth. I was merely interpreting the attitude that the amalgamated veterans had taken, that they did not go along with the Legion in the matter of a means test, and

while they were very strongly arguing for an increase in the basic pension, I did not get the impression from them that they wanted this thrown over in the meantime.

Mr. HARKNESS: Mr. Chairman, I think this discussion on what the National Council put in their brief should be deferred until everybody has had a chance to look over this evidence, because my impression of what was said is considerably different from that expressed by Mr. Gillis and two or three other people here today. I think what the National Council people actually said was that they did not want this being tied up with the pension and they would be content if it were tied up with the war veterans' allowance but they certainly do not want it tied up with the Pension Act.

The CHAIRMAN: I must say, with respect to the distribution of this volume, on Saturday morning I was informed that they were available and had been distributed, and I regret they were not. I know they were printed because a copy I just passed across the table I got on Saturday morning. If you are looking for that quotation, it is at the bottom of pages 114 and 115. Perhaps you can read that reference and that will do for the time being.

Mr. PEARKES: While that is being looked up might I refer back to what I was asking before, because I think the figures given by the witness and by the deputy minister were very wrong. The one thing I am concerned about, outside the idea of increasing the pension all across the board, which I am sure everybody would agree to if that were possible, is the increase of one-third going to give the unemployable veterans more or less than the present government scheme will give? I understand from what the deputy minister said, an increase of one-third would give the unemployable veteran with a 75 per cent disability and upwards, less. I understood it would give more, I mean. I understood from Dr. Lumsden if it was 100 per cent he would get the same and there would be a slightly decreasing amount that he would get. Can I get that clear? I think that is the crux of the whole matter.

The CHAIRMAN: Have you got your copy of the diagram on the supplement? The figures which we have show the high point of the increase at 75 per cent, which is an increase, because of the supplement, of 43 per cent.

Mr. PEARKES: Where do you find that, 75 per cent?

The CHAIRMAN: \$93.75 pension plus \$40 brings him up to a total of \$133.75 per month or a total yearly amount of \$1,605, equivalent to a 43 per cent increase. That is in the case of a married man, and the monthly increase for a single man in \$20, the total amounting to \$90.50.

Mr. PEARKES: According to these figures, I want to ask Dr. Lumsden if he agrees with them. Would unemployable veterans receive more under this proposed supplementary scheme than the unemployable veteran would receive if there were a straight one-third increase all across the board? I do not mind saying I am all for the one-third increase.

The WITNESS: Not necessarily; if he were a single man totally disabled and he received a $33\frac{1}{3}$ per cent increase he would receive more from the straight $33\frac{1}{3}$ per cent increase than he would if he got this supplement. If he were a totally disabled veteran and married there would be very little difference between the two, but as you come down the scale the balance is swung in favour of the supplementary allowance.

Mr. JUTRAS: Mr. Chairman, I think you gave the high and low for the married man. What is the increase for a married man with 45 per cent disability?

Mr. CROLL: On a percentage basis?

Mr. BURNS: Actually there would only be a very small increase because a 45 per cent disabled married man unemployed at the present time and who could meet the means test is already getting nearly \$41, something less than \$40 war veterans' allowance.

Mr. CRUICKSHANK: What do you mean by the means test?

Mr. BURNS: The war veterans' allowance means test up to 70 per cent, there are supplements which may be paid under war veterans' allowance to unemployable pensioners at the present time and consequently below that any increase to a pension of one-third would not, because of the legislation in war veterans' allowance that sets a ceiling of \$1,100, mean any actual increase to people who are receiving war veterans' allowance at the present time and who are unemployed.

The CHAIRMAN: They would just get less war veterans' allowance and more pension.

Mr. CROLL: May I just follow up this, Mr. Chairman? Mr. Lumsden, this is the part of the record of the minutes of May 23, page 114, at the bottom. The question is by Mr. McMillan and it was asked of Major A. J. Wickens:

Mr. McMILLAN: I understand it has been the feeling of the meeting that they support in the most part the submissions in the Canadian Legion brief?

The WITNESS: That is right.

Mr. McMILLAN: Except they differ in some details. What are the details?

The WITNESS: Well, the detail we have not considered extensively Mr. Chairman, and Doctor McMillan. There were some observations about means test applicable to this unemployability allowance, but the chairman of the Pension Commission and the deputy minister were kind enough to place themselves at our disposal for the best part of an hour this morning, and, in discussing the matter, they gave us a very informative illustration of how the unemployability allowance is going to operate. We came to the conclusion that the observations which the Legion made about this being in effect the introduction of a means test in pensions were not tenable. There were other minor details of that kind.

Mr. CROLL: We do not look upon that as a very minor detail. We think it is a very major detail.

The WITNESS: Except the explanation given by Brigadier Melville and General Burns made it fairly clear that if there is one thing that is not in that unemployability allowance scheme it is a means test.

Now, what have you to say with respect to that, Mr. Lumsden? Major Wickens, by the way was the witness.

The WITNESS: We did not have the advantage of that hour's conference with the deputy minister, but—

Mr. HOSKING: Did you ask for the conference and have it refused?

The WITNESS: No, we did not have it, so we do not know the arguments that were used to convince them. We have to go on the evidence.

Mr. GOODE: Could you have had a conference if you had asked for it?

The WITNESS: I do not know. I am not the head of the Legion.

This means test is apparently something that there is a great deal of difference of opinion as to what constitutes a means test. I was looking through the encyclopaedia of social welfare and was unable to find any definition there of means test, but means is used in this connection in the general sense of resources. It is the sort of test that a banker would apply if you go to ask him for a loan,

and my own experience, with a small capital, is that one of the things that they do enquire into is your employment. That is a test, a means test, to determine whether you are eligible for a loan or not. That is the test that is being used here, as to whether you are eligible for this pension or not. Then there is the financial end of it. It has been stated that if a person is in receipt of the old age pension then he is not eligible for this supplement, and it was also stated if he were in receipt of a superannuation allowance he would not be eligible for this. Now, that is not employability. As a matter of fact, what they say is if a man is actually unemployable he is not eligible for this because he gets other benefits. The pension that he gets is used to bar him from this extra allowance. Now, if that is not a means test you will have to define a means test in a rather narrow and restricted way, but the important point is this, it has been the custom of the 100 per cent pensioner to feel that he was entitled to enough to get along on a low standard, but good enough to get along on. It is frankly admitted that this is not sufficient today if he is unemployed and he has to apply for this supplement to get by. Now, he will lump all that together, in his thinking, as his pension. You can call it supplementary allowance or what-not, the terminology should not be important. In Britain they would call it an economic pension, as they do in New Zealand; not a supplementary allowance, but an economic pension. Now, if he finds that in order to get enough to get by he has to make application and passes this test, and as Mr. Gillis so very well pointed out it can be a much more difficult and much meaner test than one of the financial resources. Let us take a personal illustration. I have one arm. A few years ago owing to a breakdown of my iron fireman I had to stoke the furnace in cold weather by carrying the coal in a shovel from the bin some distance away and throwing it into the furnace. I developed bursitis, a very acute case, and I had some difficulty even getting food up to my mouth. Now, as far as I know there is no means whereby you can tell by medical examination whether an individual has bursitis or not. You have to depend on what the individual tells you. Well, supposing that I was a manual labourer and I wanted this supplement and I went and told the doctor that I had bursitis, he could not check, and if I had a bad reputation he might be inclined to discount my word and he might turn me down and say, you are faking, whereas in actuality I might have it. That is a much more humiliating experience than to ask how much money have you got because you immediately enter into the field where you may cause a man embarrassment and you question his integrity. So whether you call it a means test or whether you call it a disability allowance it is a test that will not meet with favour among the veterans. They are not accustomed to making these distinctions. It will be considered a means test by them regardless of what you call it here and I do not think we will be doing justice to our position as representatives of the great body of veterans if we do not tell you that in our opinion we think the test will be regarded by them as a means test no matter what label you put on it here.

Mr. CROLL: In the presence of the commissioner, as one bursitis sufferer to another, let me just say this. When you were building up your argument, Mr. Lumsden, you said, for instance that he was not going to receive the old age pension after he became 70 years of age.

The WITNESS: No, I did not say that.

Mr. HARKNESS: He was not going to receive the unemployability supplement.

By Mr. Croll:

Q. That is, that the old age pension was going to deprive him of the unemployability supplement and you said that that was the means test, and you also said if he were receiving superannuation he would not receive the

supplement. Now, Mr. Lumsden, when your brief was drawn up none of these matters were known to you. You did not hear about the old age pension until you came here today, surely?—A. Pardon me, we had this report on your first meeting before us before our draft was completed.

Q. But there is nothing in the report of the first meeting that indicates that?—A. Yes, there is. We got that report the day before we drew up our brief.

Q. Where is there anything in the record which covers that?—A. It is in the report of meeting No. 2.

Q. That is the one dealing with superannuation?—A. Yes.

Q. Is there anything in that dealing with old age pension?—A. Yes.

Q. Please show it to me. I could not find it.—A. On page 26, at the bottom of the page.

Now, there is one qualification regarding income from other types of pension. When a universal old age pension without means test is made law, as it is expected to be, a pensioner who qualifies for it will receive that award and not the unemployability allowance, that is, after the age of 70. In accordance with the same principle, a pensioner who retires after completing his ordinary period of working service with a government or a large corporation and who receives superannuation or retiring allowance from the government or corporation equivalent to the universal old age pension, will not be considered to fall in the unemployable classification.

Q. And the brief was drawn subsequent to that?—A. Yes.

Q. On the 17th of May, I believe?—A. The brief was completed subsequent to that.

Q. Well, that is the additions that were made to the brief that was presented in November?—A. Yes.

Q. Now, Doctor, I had occasion to look up the dictionary for the word means. This is what I got out of the dictionary. Means has to do with resources, property and revenue. Do you agree with that?—A. If you put resources broad enough, yes.

Q. I mean that is the dictionary's definition I am giving you. Resources?—A. Resources, and a man's ability to do things is a part of his resources.

Q. The word "means" has to do as I say, with the word "revenue". Certainly this test whatever you might call it, has nothing to do with revenue?—A. How about it if he is excluded from the old age pension? That is revenue.

Q. Well, yes, he receives as an alternative. It is not revenue. He gets something as an alternative to what we are giving him.—A. But he is excluded from it because of the old age pension.

Q. Oh, he is excluded but not if he gets other means?—A. Supposing that a man receives a pension from some other government or was entitled to this would that be counted in as income and would he be debarred from that?

The CHAIRMAN: It would depend on whether or not he was employed.

The WITNESS: Well, if he were not employed, if he gets a pension from a firm he is debarred.

The CHAIRMAN: Just at that point, the deputy indicated when he spoke in the committee this morning that consideration of this was in the thinking of the department as far as administration was concerned. He pointed out this morning that there might be the possibility of a man retiring with a very small pension—as he might receive from one province. Still being able to work he is seeking in the labour market to supplement that pension. If he were able to come and establish the fact that although he was pensioned he was unable to get employment, in spite of the fact he had that pension, he would be considered. That is what you said this morning?

Mr. BURNS: Yes, that is so. There also occurs to me another point in the payment of the old age universal pension. The old age pension is paid surely,

or has always been, to a person who is too old to work and support himself. In other words it is paid when age has removed him from the employment market. I suppose that is why the age of 70 has been set for the payment of the universal old age pension. It is normally the time when people are considered to have finished their working life and are not in the employment market any more.

If that is so, when a man of 70 is unemployable, that is not primarily due to his pensionable disability. It is not due at all to that, probably, but rather to his age.

The WITNESS: That simply bears out the statement that when he becomes unemployable by reason of age he is not eligible for that. I am a bit troubled about superannuation. It may be a small superannuation and he needs to supplement it—but how are you going to determine whether he needs to supplement it? What is the standard; what is the size of a superannuation that requires to be supplemented?

The CHAIRMAN: That cannot be picked out of thin air; that will have to be established through experience, I presume, the same as any other thing.

The WITNESS: If it is not a test according to revenue was is it?

Mr. HOSKING: I would like to make a statement in reply to General Pearkes' question and it will probably clear up this other problem that is in front of us.

At age 45, the general asked, would it be more advantageous to receive the increase that the Legion is suggesting or this program that is suggested here. I have made some rough calculations. A single man who is 45 per cent disabled, would get an increase in the pension of 47 per cent—a little more than 47 per cent. In dollars that works out that he would get an increase of \$20, whereas the Legion's suggested increase for him is \$12.69.

In the case of a married man 45 per cent disabled and unemployable, this gives him a 71 per cent increase as against the Legion's proposal of 33½ per cent increase. In dollars it works out to be a \$40 increase as against \$16.47 as proposed by the Legion.

Mr. GREEN: You are overlooking the war veterans' allowance?

Mr. HOSKING: It does not come into either of these cases.

Mr. HARKNESS: Yes, it does.

The CHAIRMAN: Is it over the minimum?

Mr. HOSKING: In the 45 per cent case—that is a married man—that is where this starts.

Mr. HARKNESS: He is already drawing \$91.66.

Mr. HOSKING: The war veterans' allowance does not come up to 45 per cent now.

The CHAIRMAN: A 45 per cent disabled married man is getting too much to get the war veterans' allowance.

Mr. HOSKING: He does not get it. This is a percentage increase of 71 as against 33, and the other is 47 as against 33.

Mr. HARKNESS: There is one point you have left out of consideration. A man 45 per cent disabled and unemployable would draw \$91.66 and, with the supplement that would be \$96.25. In other words he would just have an increase of less than \$5.

Mr. JUTRAS: \$50 a year.

Mr. LARSON: Am I correct in believing that a man will draw his pension as well as the old age pension?

The CHAIRMAN: He draws the ordinary disability pension as well. An ordinary disability pension is not treated as income and when the universal old age pension is paid I presume that it will be paid in addition.

Mr. MOTT: Would it be possible at this time to have answers to the questions asked by Mr. Gillis. I would like to see those answered.

The CHAIRMAN: Dr. Lumsden, have you anything to say in reply to Mr. Gillis?

The WITNESS: I do not know whether after this long lapse, Mr. Gillis, I can remember what you said. I think one of the things you wanted was a discussion as to whether there was a means test involved.

Mr. GILLIS: We have cleaned that up.

The WITNESS: The other matter was what we wanted done with this legislation.

Well, as a responsible officer in the Canadian Legion I would be exceedingly reluctant to give my assent to a principle which if established could make all further benefits to pensioners conditional on need. I would ask you to go back and ask for wider terms of reference to deal with this problem of the over-all increases.

I am not authorized at all by the Legion, because this proposal was not brought up prior to our convention last fall, to give its O.K. to that proposal. We have taken the general principles that have been evolved in Legion policy over the years with historic and deep seated objection to the means test.

Let me tell you, gentlemen, that when the last increase was given the cost of living index was approximately 150. We were assured that had gone as high as it would go, that it would drop back, and that it would be folly to stabilize pensions at that high level—and they gave us a 25 per cent increase against a cost of living index of 150. Since that time the cost of living has gone up 30 points. Just at what point does it have to go before pensions are brought up to their pre-war level? If it keeps going up and up and up and the dollar depreciates in value, and if you depart from the standards we have laid down you have got nothing to protect the pensioner at all. Our job, or one of our jobs is to protect the interests of the 160,000 pensioners across Canada. If we sell them out for a palliative which admittedly would meet some cases of extreme need, how would we answer to them in other years? They would say: You sold us out! Nobody can get anything now unless they establish need!

You have brought the means test into pensions then.

The CHAIRMAN: Would you agree, Dr. Lumsden, that what you have set out is an outrageous presumption and one for which you have not been able to advance any evidence that is a fact?

Some Hon. MEMBERS: Oh, no.

The CHAIRMAN: Just wait a minute. You assume this is a 'palliative' in your language, which will have a certain effect. Have you a jot or tittle of evidence to back up the presumption—because it is a presumption on the part of yourself or those you represent in making it—that by accepting a palliative you are closing the door to a general increase. That I think is a fair reflection of your opinion. You have a right to the opinion, however, but I think the committee would be quite interested in the basis for it—other than pure conjecture. How do you come to the conclusion you have reached?

The WITNESS: I think the difficulty we are having in establishing our case for an over-all increase in pensions, without having that principle established, is an indication of what we will run against when that principle is established.

The CHAIRMAN: That is conjecture and not fact.

The WITNESS: How can we give facts about something that is in the future and which is not now a fact.

The CHAIRMAN: I do not think you can.

The WITNESS: You can only project on the grounds of probability and experience in Britain is that whenever there is a demand for a pension increase they increase the economic supplement.

Mr. MELVILLE: At that point I want to correct a statement made on the record a short time ago. I have in front of me a report of the Ministry of Pensions for the period ending March 31, 1950. It was received a short time ago and some time after consideration had been given to the general affairs affecting disabled pensioners. Page 25 of that report says:

Unemployability Supplement

It is granted when the pensioner is unemployable as a result, wholly or mainly, of his war disablement. The main principle that pension shall be awarded according to a medical assessment of the degree of actual disablement without regard to earnings has undisputed advantages when applied over the whole field of disablement pensioners; it enables high pensions to be paid to seriously disabled pensioners who are nevertheless able to follow their normal occupations and to earn full wages. The introduction of a supplement which separately recognizes unemployability enables the original principle to be maintained, to the advantage of the many; whilst the relatively few pensioners whose war disablement has had the extra effect of nullifying their earning capacity are able to receive compensation over and above the normal pension and allowances based on the degree of disablement.

At no time in my study of ministry reports, Mr. Chairman, and correspondence that I have seen, have they spoken of the allowance referred to as an economic allowance. They always state it to be an unemployability supplement.

Mr. STEWART: In order that the record may be complete in so far as the Canadian Legion is concerned, in addition to what Mr. Croll read into the record, I would like to read from page 119 of our proceedings on May 23rd, 1951. The witness happened to be representing the blind association. The chairman said:

Are there any other questions, gentlemen? I shall now take the liberty since we have our officials here, of turning the tables on the committee, and saying that particularly in view of the hitherto lack of specific knowledge revolving around this \$2 million supplement, that if any members of the delegation have any uncertainty in their minds respecting what is set forth in this, that it would be acceptable to the committee that they should ask questions of them.

Major Wickens has told us that they had the advantage of a consultation this morning with the senior officers of the departments. We have a few minutes left and if the committee concurs, I think it would be in order. It should be helpful, and some points might be clarified.

The witness said:

Mr. Chairman, practically every member of our delegation was present at that conference this morning. We are very much indebted to the two officers for the very frank session we had with them.

The CHAIRMAN: If you are satisfied: I am.

That ended the discussion on that item as far as those seven organizations which appeared before us that day are concerned. They were satisfied.

Mr. QUELCH: Satisfied with what?

Mr. STEWART: With the explanation given by the officers of the department.

Mr. QUELCH: Certainly not with the \$2 million.

The CHAIRMAN: One at a time, please.

Mr. GREEN: Mr. Chairman, there is one point—

The CHAIRMAN: Would you permit me just to supplement in a sentence what has been said. It has been brought to my attention during the recess that the only increase in the basic pension which has been received by British pensioners was received in 1946—three years after this unemployability supplement was instituted. We should look to the historic facts of how this is working, rather than to fears as to how it may work. In the one case where it has been the longest in effect, far from barring an increase in the basic pension they have had their first increase in modern times.

Now you wanted to ask a question, Mr. Green?

Mr. GREEN: It was probably because the other did not work.

The CHAIRMAN: They still have the supplement.

Mr. GREEN: Mr. Chairman, you said something about a question of whether the increase in the basic rate was in mind and I think, if I heard the clippings of the *Citizen* correctly—the one read by Mr. Goode earlier this afternoon, that the minister himself referred to this as an alternate. He referred to this supplementary allowance as an alternative plan to an increased pension. I refer to the speech in Montreal on Saturday.

The CHAIRMAN: I have not had the advantage of seeing the clipping but what I think he said is that it is true there is no proposal before the committee from the government for increasing the basic pension but that this was regarded as an alternative to it. If I remember the quotation from the minister's speech, and I heard it read here, I interpreted it as meaning that it was not proposed to go ahead with a basic increase but there was a situation which required immediate attention and that situation was being dealt with by this unemployment supplement. That is not the same thing as saying, gentlemen, that we are going to refuse a basic increase and satisfy the requests by dealing with a portion of the problem.

I think Mr. Gillis stated much more clearly what was the thought and intent of those responsible—that whatever is done about the general question there is an immediate and pressing problem which should be dealt with now—and here is a proposal to do it. I do not think we will clarify our thinking by running away with the idea that this is some sort of subterfuge to stop a request for a basic increase. If it were it would be stupid because it would not stop it, and certainly there is nothing in the statement concerning this supplement to indicate that anyone so regards it.

There is no such thing as finality in pensions legislation. Some of us have been going at this a long time. Some of us have worked with it for a long time—including half a dozen members of this committee. When we find something is good we take it up but if something is still lacking we keep going after it.

There are a number of members on this committee who have a pretty good record for being persistent in these matters and from what I can see of the new members they have learned that technique very fast.

Mr. GREEN: You will admit that there is certainly nothing in any proposal approved by a Veterans Affairs Committee which interferes with the basic principle which is that a pension is as of right—and there must be nothing interfere with that principle.

The CHAIRMAN: I agree with that and I assert on the basis of whatever intelligence I have, and nothing less, that there is nothing in this present proposal which does interfere with that principle. If you or anyone else could establish that I would be against it.

The WITNESS: In respect of your question I have some data about New Zealand. You may note that in section 2 this is referred to. It is in effect in the

United Kingdom, New Zealand, and Australia, and in New Zealand it is called an economic pension.

In 1923 there was a royal commission appointed and they brought in this report:

No increase in basic pension. Abolition of Supplementary Pension and substitution of "Economic" Pension, maximum amount 30/—per week.

Now in regard to the point brought up just now.

Mr. CROLL: Could you say whether they have the war veterans allowance in New Zealand?

The WITNESS: I do not believe they do.

Mr. CROLL: I am informed that they have not.

The CHAIRMAN: That information is not correct. They have it, and it is modeled on the Canadian one and carries the same name.

Mr. CROLL: It does?

The CHAIRMAN: Yes.

The WITNESS: I just have a note about the war veterans allowance. It reads as follows:

In 1934 the War Veterans' Allowance Act for "burnt-out" ex-service-men was passed in Canada. Mr. J. A. Lee, M.P., D.C.M., introduced a Private Bill for the same purpose in New Zealand but was unsuccessful.

The CHAIRMAN: What date is that?

The WITNESS:

N.Z.R.S.A. then framed a Bill, obtained the support of all ex-service Members of Parliament and this became the War Veterans' Allowance Act, 1935.

In regard to the point which was brought up this morning that this would be more valuable to the pensioner in a period of depression than would a straight increase, here is the experience of New Zealand.

1931 saw the first reduction in New Zealand of War Pensions—a 10 per cent cut in the Economic Pension.

That is what they did in a depression. They cut the economic supplement.

In dealing with the needs of those who required help most and the realities of the financial situation, the N.Z.R.S.A. at that time succeeded in obtaining a modification of the severe cuts recommended in 1932 by the National Expenditure Commission. The result in money was that the cuts were reduced from £135,000 to £62,000 and the physical disablement pension, pensions to War Widows, Widowed Mothers and children of deceased war pensioners were left untouched.

That was in a depression. That was the thing they cut.

Mr. HOSKING: You are suggesting that they now raise that? If the pension was now raised, the way the Legion has requested, if our dollar came back to \$1—I mean if the cost of living index came back to 100 instead of 185, you would expect to see a cut, the same as was done in New Zealand?

The WITNESS: My suggestion is that if it went back to that, then before the actual pension was cut, the economic unemployability supplement could be cut, if we followed New Zealand.

Mr. HOSKING: Do you suggest now, when we are putting this on, and there are not too many unemployed, that we cover the needs? If there were more unemployed, the same government would cut it off.

The WITNESS: But it might not be the same government.

Mr. HOSKING: Would any government cut it off?

The WITNESS: That is what happened in New Zealand.

Mr. HOSKING: I do not understand those two things. You will have to clarify that New Zealand thing for me.

The CHAIRMAN: Perhaps it would be fair to say, as Mr. Croll suggested this morning, that in these things we do not follow anybody, but pioneer.

The WITNESS: Our point is that this is an intrusion into the Canadian system of something that belongs to another complex social system which is different from ours, and which does not fit in.

Mr. CROLL: Can you tell me if we have ever cut pensions or reduced pensions in this country?

The WITNESS: I do not believe so. On the other hand I think in 1930 there was an attempt to do so and there was also a serious proposition made along the line that pensions should be based on need, and that all civil servants who had pensions should either surrender the pensions, or their jobs.

Mr. CROLL: But nothing came of it.

The WITNESS: No, because the veteran members in parliament refused to go along with that suggestion.

Mr. HARKNESS: Mr. Chairman, Mr. Gillis a short time ago asked the witness whether he would like to see this scheme tossed out altogether and so on. And in view of that question and the answer given to us, I would like to ask this question:

In the representations made by Major Wickens on behalf of the Dominion Council last week—they are to be found at the bottom of page 106 of proceedings No. 5 for May 23—Major Wickens said:

...the Canadian Legion protests about the unemployability grant—not entirely for the reasons expressed by the Canadian Legion in their brief. One of the big objections to it is this, you know, you may know, all veterans do know that the one thing the veteran prides himself on, the one thing that the veteran has is his sense of independence and his willingness to make a sacrifice for principles, and the suggestion that he is unemployable carries a certain stigma, or so he feels. It is true there are some features in this proposal which, to some extent are an improvement on the war veterans allowance scheme in connection with what income they may have apart from earnings; but as far as we are concerned, Mr. Chairman and gentlemen, the practical way to deal with the matter would be to take those good things that are desirable in this scheme and engraft them upon the war veterans allowance scheme and let us have one scheme of war veterans allowances throughout which the test of eligibility will be the same. I am speaking of what is known generally as the means test. As I understand from my discussions with the deputy minister and chairman of the pension commission this morning there is no means test to the extent that it is apart from earned income under the unemployability grant.

The question I would like to ask is this: would you, Mr. Lumsden, or the Legion, if you are not able to say—be in favour of what Major Wickens proposed, that this scheme instead of being attached to the Pension Act, you might say, and to the pension scheme, should be, instead, attached to the war veterans allowance scheme? Would you be prepared to accept that, if it was done?

The WITNESS: It would be difficult for me as an individual to commit a great organization such as the Canadian Legion in connection with something like that. But I am aware that over the years resolutions have come up from various branches.

Mr. Anderson might enlighten me on whether or not they have been passed at a dominion convention. But as I was saying, resolutions have come forward that pensions be not considered as income in assessing for war veterans allowance.

That has been passed. That would be the situation approximately which Mr. Wickens was talking about.

Mr. CROLL: I do not follow you. I am not clear on it.

The WITNESS: If a man has a pension and is unemployable, then his pension should not be counted as income, but that he be granted the war veterans allowance because he is unemployable.

The CHAIRMAN: In full?

The WITNESS: Yes.

Mr. CROLL: That was not your question, Mr. Harkness.

Mr. HARKNESS: No. My question was based on a statement made by Major Wickens that in their view—as far as they are concerned—the practical way to deal with the matter would be to take the given pensions that are desirable in this scheme and then increase them by the war veterans allowance scheme, and let us have one scheme of war veterans allowance throughout. The test of eligibility would be in the form of a means test.

The WITNESS: I was trying to interpret what that test of eligibility would be: Would the pensioner be eligible for war veterans allowance regardless of his pension, which would not be counted as income, that is, if he were unemployable?

If it included a case of a married person, it would amount to \$30 more than what this proposed. But I am not committing myself to that. I merely say that it has come up in the form of resolutions and—from a glance at this one, and it is the first time I have seen it—I am certainly not prepared to discuss it fully.

But I can say that my reaction would be generally favourable to it because it is broad enough to make whatever adjustments study would seem to make desirable. What we are afraid of, and very particularly, in regard to this is that is has been introduced as an alternative to a basic increase in pensions. We do not like that.

The CHAIRMAN: Gentlemen, are there any further questions?

Mr. GOODE: Would you still consider that if \$2 million is the amount the government would provide at this time it is better to make an overall increase for this whole pension this year than to allow this present scheme to go through, even on a trial basis?

As a member of the Legion I am very concerned, and I hope you will understand that I am sincere. I am worried about your point, that this amount of money should be spread over the whole field.

The WITNESS: No.

Mr. GOODE: All we have to consider at the moment is the \$2 million. I am not considering \$20 million because I have not the authority to do so. You are telling us that you want to spread that \$2 million over the whole period?

The WITNESS: You are wrong. I am not telling you that. The Legion's recommendation is that this committee go back to Parliament and ask for proper terms of reference.

The CHAIRMAN: Why, at this point?

The WITNESS: To consider this matter of a basic increase in pensions.

Mr. CROLL: If we do not get it, what do you think we should do?

The CHAIRMAN: If you suggest, Dr. Lumsden, that at the present time this committee is not prepared to consider a basic increase, then what else have we been doing all day when we have been discussing it?

I think that as chairman of the committee I am on record as having said that the discussion of a basic increase in germane to the item before us. I could not have held any other position. We have had a lot of free advice on the matter of the terms of reference. But I do not think there is any authority for suggesting that we require any further authority to discuss this matter. If we do, then we have been out of order all day yesterday.

Mr. GREEN: You told me the other day that we could not make a recommendation.

The CHAIRMAN: I said we had no power. I said that as far as this item was concerned, we had either to accept it or reject it. It is referred to us from the House. Then I went on to say that the introduction of this point had opened up the whole question. I cannot remember my exact words. Perhaps you will have them in front of you and if so you may read them. But I think I said that we had no power to initiate legislation in the matter, but that we did have the power to make recommendations.

Mr. GREEN: It is to be found on page 92.

The WITNESS: May I amplify here. If what you say is correct, then Mr. Goode's statement that we could consider \$2 million for the pensions is not really correct. You can consider this basic increase.

Mr. JUTRAS: Leaving out the question of procedure for the time being, I would like to ask the witness this question: You stated a moment ago that a resolution was passed at the last convention. Would you mind giving again exactly what it was?

The WITNESS: No. I think I stated that I have seen resolutions from branches advocating that the war veterans allowance be granted and that pensions be not considered as income in granting the war veterans allowance. But I was not sure whether they had ever been passed at a convention. I asked Mr. Anderson if he remembered whether they ever had or not.

Mr. JUTRAS: Is that in the case of unemployability or in all cases?

The WITNESS: Yes.

Mr. JUTRAS: Then exactly what is the difference in the basis of the principle of the thing? I am coming back to this principle mainly because this has been your main objection to the whole thing.

The WITNESS: Yes.

Mr. JUTRAS: If I understand you correctly, your brief brings out this means tests. As far as your views are concerned, you feel you have some concern that it is a departure from the basic principle of the Pension Act.

The WITNESS: Yes.

Mr. JUTRAS: Now, coming back to this: If they accept the war veterans allowance for all the pensioners in a case of unemployability, I cannot see any difference there from the principle of the matter as between this Act and this unemployability supplement if of course we leave out the necessity or otherwise of an increase in the basic pension at the present time?

The WITNESS: The war veterans allowance is not confined to pensioners and is not related to pensions in any way whatsoever; and by accepting the war veterans allowance for unemployability it has no bearing on the pensions regulations and could not be used as a principle whereby pension needs could be met by that.

Mr. JUTRAS: I fully realize that; but I cannot see that this unemployability supplement is any more related to the pension than the war veterans allowance would be if it was extended to all pensioners irrespective of income.

I do not think that one or the other affects the basic principle of pensions; and as I said this morning when Mr. Green corrected me, I said before that I felt, rightly or wrongly, that this was not tied up to pensions. I used the words "tied up to pensions" and he corrected me on that.

I think it was obvious from my remarks that I knew that this was related or attached to pensions for purpose of administration and calculation. But basically it is not tied to pensions in any way that I can see, and I do not think anybody else pointed out, when that study was before us, that it did encroach in any way on pensions. It merely supplements them. The basic pension remains the same.

Now I gather that you would be willing to accept—coming back to this—that the war veterans allowance should be extended to the same class of people, and that basically it would not affect the principle of pensions. How is this unemployability supplement in any way encroaching on pensions any more than the other would?

The WITNESS: Let me read again the statement of the minister.

Mr. CROLL: What is the page, please?

The WITNESS: Page 23. His argument is that instead of granting a general increase in pensions, that those pensioners who are unemployable and whose unemployability is caused by their war disabilities might receive a supplementary allowance. Now, that immediately brings us into contact with the pension and it is given as an alternative to an adequate pension and it seems to me that if we accept it as an alternative to an adequate pension, if it is given us that way and we accept it, then we accept it as an alternative to an adequate pension, whereas the war veterans allowance is intended to meet the needs of men whose needs may have no relation to war disabilities and it is based on need and so far has had to be administered by means of a means test. Now, I am not committing myself in favour of this scheme for a war veterans allowance for all the pensioners, the pension not to be considered as income. I would have to give that matter more study than I have before I would be willing to make a commitment. I simply quote it as having been in the thinking of some branches of the Legion. I was not sure whether it had got up to the level of a dominion convention or not but I do know that certain branches of the Legion had been thinking along those lines but I do not think this has become established policy on the part of the Legion as a whole. If I remember correctly I think a resolution to that effect has been passed in this last convention from Nova Scotia, which took place last week.

Mr. JUTRAS: Mr. Chairman, one more question to the witness. Is it not a fact, and I think we have run across that before, that the mere fact that in certain branches this question of giving something along the lines that we are attempting to do in this unemployability supplement has been raised in this resolution, although these resolutions that have been passed here and there which point out a need that frankly I doubt if a straight across the board increase would fully meet. I am not arguing there should be an increase in basic pensions or not; I am trying to keep these two separate. And the fact that you had resolutions—and I think I have heard of these resolutions before—that there is a real need throughout the country for those special cases that even an increase across the board would not meet fully. Now, you always think of these in turn as an alternative to a basic increase in pension. I for one anyway would like to reverse it. I would like to think of it as something new but something that is filling a need that exists throughout the country irrespective of whether there is a basic increase across the board or not. I do not want to repeat Mr. Gillis' question. I know it is a difficult thing for you to answer that and you do not have to answer it if you do not think you are in a position to do so, but in view of the very strong language that you used in

your brief, in your presentation to the committee, which almost left the impression, at least with me, that you feel that this unemployability supplement was a vicious principle introduced as a pension and on that basis that you could not possibly, as far as you were concerned, have this considered by the committee at this time. In view of all the explanations and assurances that have been given to you do you still feel the same way at this stage?

The WITNESS: Well, if you can assure me that this does not represent the considered policy of D.V.A., this, that was given by Mr. Lapointe, where he says that because veterans have succeeded in overcoming their handicaps therefore they do not need pensions to the same extent. I will read his exact words. It is rather long and I do not want to misquote.

Now, it is possibly true that still too many of us are apt to consider a disability pension as a means of livelihood, as a substitute for a pay envelope, if you like to put it that way.

Now, there is no doubt that some years ago that was true but I think now that a better conception of the purpose of a pension is that it is to compensate the recipient for the loss of ability to do anything that a person without a disability can do.

Now, a pensioner lives with his disability twenty-four hours a day.

And might I interject here, gentlemen, when you are considering this matter of compensation: Just recently I was talking with a veteran, a double amputee, both legs, he is working, he is earning. It was not a warm day when I saw him but there were heavy beads of sweat on his forehead, two abscesses on his stumps from constant irritation. There is something more in compensation for war disability than making up the deficiencies of what he can earn.

Mr. HERRIDGE: You are right, correct.

The WITNESS:

This change in the concept of disability which has taken place in the last few years is certainly due in great part to the courage and the determination of the disabled persons themselves who have been the greatest single contributing factor to this change in our thinking because they have refused to be retired, they have refused to be in sheltered employment, they have insisted they can be completely self-supporting in the competitive field of business and industry, and the success which their tenacity has achieved has certainly taught us a great deal of how little in some cases the most serious disabilities may interfere with every day earning of a living. Of course, to make the maximum use of those faculties which a disabled person has remaining, in many cases special employment techniques are required and retraining may be called for, but we certainly can say today that in the vast majority of cases a physical disability is not of necessity an occupational handicap. As a matter of fact and record, and I would like to tell this to the members of the committee: The experience which we have in the department has shown that pensioners, recipients of disability pensions, are as a general rule, more stable employees in industry and everywhere else in the other fields than those without a physical disability.

Now, we took the employment record of pensioners into consideration along with a number of other factors in looking for a formula which would provide the maximum assistance where it was most needed.

That is, he is considering the employment of pensioners, that is a factor which entered into consideration in determining what assistance should be given.

Members of the committee will recall—and I would like to come back on these figures for a couple of minutes if you will permit me—that

in the House on April 4, when I introduced the resolution to set up this committee I stated that there are approximately one hundred and sixty-two thousand disability pensioners in Canada. Of these, sixty per cent, or approximately ninety-five thousand, come into the category with comparatively slight disabilities. They are within the category of disabilities of twenty per cent or less. Now, it is necessarily true that if we increase the basic rate of pension right across the board as has been suggested to us, it would mean that in this ninety-five thousand or sixty per cent of all disability pensioners there are thousands and thousands whose pension cheques would be increased by only \$3 or \$4 monthly. In some cases, as a matter of fact, the increase would only be \$1.60 and \$1.75 monthly and yet the total increase to this group would be approximately equal to the total increase to the high disability group suffering from eighty per cent and more disability.

That is, he is developing the argument that this request for an increase in the basic rate of pension is not necessary because pensions are employed and that it is of no value to the lower percentage cases because the increase they would receive is very little and so it said they are bringing down this relief measure for the unemployable pensioners that will, he hopes, bring them up to a minimum living standard. That will not do that except in the case of the totally disabled pensioners, that is the only one that will be brought up to a minimum living standard, so from this record of proceedings, this legislation was brought in because he saw that pensioners across Canada generally were employed and hence because they were employed they had no need. In the thinking and the whole outline, the idea is that the pension is granted because of need and not because of right and this is given as an alternative to an adequate pension and if we accept it, it may be that future committees will lack the personal touch of this one and might consider we have accepted the principle that if a man is unemployable and the cost of living moves up, continues going up, the problem could be solved by a grant of unemployability supplement rather than by a basic increase in pension. That is the way it looks to me.

Mr. HENDERSON: You personally feel we should reject this \$2 million vote.

The WITNESS: The proposal given in this is that you go back and recommend to the House a basic increase right across the board. If that is granted, and there are these particular cases you feel should be taken into consideration, I am quite sure that the Legion would like to enter into your discussions again and discuss these particular things.

Mr. BENNETT: And what if it is not granted?

Mr. GOODE: Even if you think these unemployable veterans will not get a pension during that time?

The WITNESS: We are not responsible for government policy.

Mr. GREEN: Either Brigadier Melville or General Burns—have you got any figures showing the number of pensioners who are employed and whether they are working on small jobs, such as, for example, jobs bringing in \$30, \$40, \$50 a month or on jobs with full salary? Have you any figures at all along that line?

Mr. BURNS: Mr. Chairman, I answered, I think, earlier in the sitting the question of how we estimated that 90 per cent were employed, or, at any rate, that as far as we can determine not more than 10 per cent were unemployed. The question of incomes we realized would be important and so we obtained information about the incomes of a sample group.

Mr. GREEN: How large?

Mr. BURNS: It was approximately 10 per cent of the 35,000 who were, I mentioned, casualty rehabilitation registrants.

Mr. GREEN: That is 3,500?

Mr. BURNS: Yes, that is a pretty adequate sample statistically and the results there were that 40 per cent of those we obtained information about were getting rates of remuneration better than they were pre-war, 40 per cent about the same and 20 per cent less. Those are approximate percentages. Now, I should say we took into account the rise in the cost of living, or drop in value of the money as between the dates of enlistment and the present time. That is to say, taking that into account, they still were better off, the same off or less well off than before we did not take into account in any of these comparisons the pension being received.

Mr. GREEN: Have you any figures at all on the pensioners who are not seeking employment? For example, there may be many thousands who are not trying to get employment at all. It seems to me your figures contain a lot of driftwood.

Mr. BURNS: That may be so. There may be more, as I told you in the beginning, but we have no means of establishing how many there are. There may be more who will benefit by this supplement than we have estimated and that may require an increase in the amounts which have been put into the estimates later on.

Mr. GREEN: The reason I asked that is this: In a very definite statement made by them before the committee the other day, and also by the minister on Saturday, that 90 per cent of the pensioners in Canada were working on full time work. He read it:

The fact is that very few of them do, and the vast majority—about 90 per cent—are fully employed in competitive employment and enjoying the same high wage and salary rates as are enjoyed by others in the working population.

Now, as I understand it the only basis you have behind that statement is the simple test of about 3,500 who were applying for work.

The CHAIRMAN: Mr. Green, if you will permit me. It is six o'clock and we will have ample opportunity later to discuss that. We have concluded the purpose of this meeting of today. We will have ample opportunity to discuss that when the witnesses are before us.

Mr. GREEN: Could I have an answer to that question now?

The CHAIRMAN: I think the General has already answered. Have you anything to add to that, Mr. Burns?

Mr. BURNS: I think the answer I have given covers it fully. There is no way of determining the number of people who are not in the employment market and may be on pension. We made a surmise for the purpose of the estimates. It may be too small, it may be too large. I do not know, but as far as we can determine certainly the pensioners looking for work at the present time, do not amount to anything like 10 per cent of the total number of pensioners.

The CHAIRMAN: Gentlemen, we have had two long hearings today and I am sure that you would want me to express to Dr. Lumsden and through him to the Dominion Command our appreciation of the fact that he came all the way back from the coast at some inconvenience in order to be here and discuss this with us today. I would like myself on your behalf to convey our appreciation to Dr. Lumsden and to say under the circumstances, which have been at least amiable, you have had a hard day's work and I know the members have listened

to all you have had to say with patience and tact and I suppose the results of our deliberations will be the measure of what has been accomplished. At any rate we do appreciate your coming at some inconvenience, and as always we listen to the representatives of the national organizations, yourself and the others, with attention and respect. Of course, we reserve the right to ourselves to exercise the responsibility which has been put on us. In the past, it has worked out I think, to the general advantage of the veteran population and I, for one, have little doubt that it will do so again. Thank you very much.

Gentlemen, we will meet again on Thursday at 11 o'clock.

—The committee adjourned.

*Canada - Veterans Affairs,
Special Committee, 1951*
SESSION 1951

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HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

CHAIRMAN—MR. L. A. MUTCH

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

THURSDAY, MAY 31, 1951

WITNESSES:

Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs.

Mr. J. L. Melville, Chairman, Canadian Pension Commission.

OTTAWA
EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
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1951

ORDERS OF REFERENCE

TUESDAY, May 29, 1951.

Ordered,—That the following Bill be referred to the said Committee:
Bill No. 352, An Act to amend The Veterans Insurance Act.

WEDNESDAY, May 30, 1951.

Ordered,—That the name of Mr. Dickey be substituted for that of Mr. Balcom on the said Committee.

Ordered,—That the name of Mr. McLean (*Huron-Perth*) be substituted for that of Mr. George on the said Committee.

Attest.

LEON J. RAYMOND
Clerk of the House.

MINUTES OF PROCEEDINGS

THURSDAY, May 31, 1951.

The Special Committee on Veterans Affairs met at 11 o'clock a.m., the Chairman, Mr. L. A. Mutch, presiding.

Members present: Messrs. Bennett, Blair, Brooks, Carter, Corry, Croll, Cruickshank, Dickey, Gillis, Goode, Green, Harkness, Hosking, Henderson, Herridge, Jutras, Larson, Lennard, McLean (*Huron-Perth*), McMillan, McWilliam, Mott, Mutch, Pearkes, Quelch, Richard (*Gloucester*), Roberge, Stewart (*Yorkton*), Weaver, White (*Hastings-Peterborough*).

In attendance: Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs; Mr. J. L. Melville, Chairman, Canadian Pension Commission.

The Chairman presented the second report of the sub-committee on agenda and procedure which is as follows:

Your sub-committee on agenda and procedure met on May 30 and agreed to recommend:

1. That the matters now before the Committee be dealt with in the following order:

Item 650 of the Supplementary Estimates;

Bill 287, An Act respecting Benefits for Members of the Canadian Forces;

Bill 288, An Act to amend the Pension Act and change the Title thereof;

Bill 286, An Act to amend The Veterans' Business and Professional Loans Act;

Bill 352, An Act to amend The Veterans Insurance Act.

2. That a decision as to hearing witnesses representing other organizations be deferred.

Mr. Croll moved that the second report of the sub-committee on agenda and procedure be concurred in.

After discussion, and the question having been put on the said motion, it was agreed to, on division.

The Committee resumed consideration of Mr. Croll's motion of May 14:

That, in the opinion of the Committee, the word *major*, between the words *is* and *factor* in the fourth line of Item No. 650 of the Supplementary Estimates, ought to be deleted.

Mr. Brooks moved in amendment thereto that consideration of Item 650 be deferred until the Committee has asked for a further instruction from the House.

The Chairman ruled the amendment out of order on the ground that it anticipated action which might be taken by the Committee and assumed that such would be taken.

And the question having been put on Mr. Croll's motion, it was agreed to.

Mr. Croll moved that Item 650 of the Supplementary Estimates carry and be reported.

Mr. Brooks moved in amendment that Item 650 do not now carry but that this Committee request the House that it be given instructions to consider the Basic Rates of Pensions and the War Veterans Allowance Act and make recommendations in reference thereto.

On motion of Mr. Green, at 12.45 o'clock p.m., the Committee adjourned until 4 o'clock p.m., this day.

AFTERNOON SITTING

The Committee resumed at 4 o'clock p.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Bennett, Blair, Brooks, Carter, Corry, Croll, Cruickshank, Dickey, Gillis, Goode, Green, Harkness, Henderson, Hosking, Herridge, Jutras, Larson, Lennard, McLean, McMillan, McWilliam, Mott, Mutch, Pearkes, Quelch, Richard (*Gloucester*), Roberge, Stewart (*Yorkton*), Thomas, Weaver, White (*Hastings-Peterborough*).

In attendance: Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs; Mr. J. L. Melville, Chairman, Canadian Pension Commission.

Consideration of Mr. Croll's motion, and of the amendment thereto of Mr. Brooks, was continued.

And the question having been put on the said amendment, it was negatived on the following division:

Ayes: Messrs. Blair, Brooks, Cruickshank, Gillis, Green, Harkness, Herridge, Lennard, Pearkes, Quelch, Thomas, White (*Hastings-Peterborough*),—12.

Nays: Messrs. Bennett, Carter, Corry, Croll, Dickey, Goode, Henderson, Hosking, Jutras, Larson, McLean, McMillan, McWilliam, Mott, Richard, Roberge, Stewart (*Yorkton*), Weaver,—18.

Mr. Henderson moved that this Committee recommends that the Government give further consideration to the representations submitted to the Government and to the Committee that the basic rate of pensions for all pensioners under the Pension Act should be increased.

And a point of order having been raised that not more than one question should be before the Chair at the same time, the Chairman reserved his ruling.

At 6.20 o'clock p.m., the Committee adjourned until Monday, June 4, at 11 o'clock a.m.

A. L. Burgess,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

MAY, 31, 1951.

The Special Committee on Veterans Affairs met this day at 11 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Gentlemen, we have a quorum. Since our last meeting we have had a meeting of the steering committee to consider one or two matters which required decision. Perhaps I had better ask the clerk to give us the memorandum respecting the steering committee.

The CLERK: (reads):

"Your subcommittee on agenda and procedure met on May 30 and agreed to recommend:

1. That the matters now before the committee be dealt with in the following order:

Item 650 of the Supplementary Estimates;

Bill 287, an Act respecting Benefits for Members of the Canadian Forces;

Bill 288, an Act to amend the Pension Act and change the Title thereof;

Bill 286, an Act to amend the Veterans' Business and Professional Loans Act;

Bill 352, an Act to amend the Veterans' Insurance Act.

2. That a decision as to hearing witnesses representing other organizations be deferred."

Mr. CROLL: I move the adoption of the report.

Mr. GREEN: Mr. Chairman, with regard to that report, I think I should say that there was some difference of opinion. I moved that we should first deal with the Special Forces Act because of its urgency and then that we should deal with the Pension Act—the amendments to the Pension Act—and subsequently with this vote 650. I moved an amendment to that and we voted upon it. I think that should appear in the record.

Also in the second recommendation it was proposed that we hear these three of four groups who want to be heard, and that matter was voted upon too. The alternative suggestion was that we decide later on whether any of those groups would be heard. I make these explanations to keep the record clear.

The CHAIRMAN: It has never been the practice, Mr. Green, to report anything but the decisions of the steering committee, but you are, of course, within your rights in indicating your views here.

Now, there is a motion by Mr. Croll that the report of the steering committee be adopted. All those in favour please indicate; contrary, if any?

Mr. GREEN: No, on division.

Carried.

The CHAIRMAN: Under those circumstances we will direct our attention this morning to the consideration of vote No. 650 of the supplementary estimates. Now, before we proceed I think I should remind the committee that at our last meeting when we considered this matter a motion was before the committee as

of May 14. Mr. Croll moved that in the opinion of the committee the word "major" between the words "is" and "factor" in the fourth line of item 650 of the supplementary estimates ought to be deleted, and after some discussion, on the motion of Mr. Cruickshank, consideration of Mr. Croll's motion was deferred until the briefs of the national veterans' organizations had been presented. Those briefs have been presented. Is it the suggestion now that Mr. Croll proceed with his motion?

Mr. BROOKS: Mr. Chairman, before that motion is proceeded with there is another matter which I would like to bring before the committee and which I think would be more appropriate coming before Mr. Croll's motion, if there is no objection.

The CHAIRMAN: I will hear the suggestion. Mr. Croll's motion has the floor at the moment because of the fact that the motion to stand said that the motion stood until the briefs of the national veterans' organizations had been presented. So it is now the order of business before the committee. If you wish to speak to something else on that you will be in order.

Mr. BROOKS: I believe that the matter which I wish to bring before the committee should have precedence before that motion. We have heard evidence, of course, from these different bodies which have come before us—the Canadian Legion, the National Council of Veterans' Associations—and I am sure everybody was very much impressed by the evidence of those veterans' bodies. I think we were impressed by the fact that these men representing these different veterans' organizations considered that they had a grievance, and they said here before his committee that they felt that a committee of veterans, such as ours, a committee composed entirely of veterans, and what they have considered in the past to be the veterans' parliament, as it were, was the most appropriate place in which they could air their grievances and look, if possible, for some help.

We were also impressed with the fact that though those different organizations which in the past came before our committee were not always so unanimous in making their requests, on this occasion the Canadian Legion and the National Council of Veterans were unanimous.

But the point which they both stressed was that they felt that their efforts on behalf of the veterans were very much circumscribed by the terms of reference which have come before this committee. Hon. members will remember that they stated in no uncertain terms that they almost hesitated to come before this veterans' committee because they felt that their coming here was useless unless the terms of reference could be broadened in some way. However, out of courtesy to the committee, and with a feeling that possibly the committee would in some way try to assist them and have the terms of reference broadened, they presented their case.

Now, their grievances, as you remember, were as stated: first, that this committee under the terms of reference did not seem to have the right to deal with the basic rate of pension which they considered to be the most important problem which faces the veterans today; second, that the committee did not have authority to deal with war veterans' allowances, and they felt, and were very insistent, and advanced very strong arguments that both of these matters should be considered by this Veterans Affairs Committee sitting at this time.

I may say personally, Mr. Chairman, that when the matter came up in the House there was an amendment made to the terms of reference asking that they be broadened. I felt at that time that the terms of reference were too narrow; and after reading the evidence of these men who have come before us, and after giving that evidence consideration, I am sure most of the veterans, if not all of the veterans of this committee, will agree with me when I say that these men who appeared before us have a very strong case for the veterans across Canada.

I am not going to labour the point; the argument was heard in the House of Commons; but there are certain basic principles on which pensions were founded in 1925, you will remember, and by reading the record you will see just what they were; and I would like to ask the committee whether if we forgot all about 1925 until 1951 and if we were sitting here as a committee originating a Pension Act today we would not consider the very things that these veterans of the first war considered at that time—that is the cost of living and the wage rate of the labourer upon which the pension was based? If we did that there is no question in my mind, Mr. Chairman, but what we would greatly increase both the basic rate of pension and the war veterans' allowance.

Now, as I say, there is no necessity for me to labour this point. Our committees, as our chairman pointed out very well the other day, have made suggestive recommendations to the House on previous occasions and the House has considered our suggestions.

I remember well in 1948 when the pensions were being increased that first of all there was a suggestion that the increase be only 10 per cent. Veterans who are here today who were members of that committee will remember that at that time the committee was unanimous in rejecting that suggestion of an increase of 10 per cent. Then there was a suggestion of 15 per cent and it also was rejected. However, the committee agreed to accept an increase of 25 per cent.

So, as I say, we have precedence for making suggestions or recommendations to the House, and there is also good precedence for the House or for the government accepting our suggestions.

One of the returned soldier speakers mentioned the old age pension. It does seem an anomalous situation in this country that we can spend hundreds of millions of dollars to increase the old age pension—and I am not opposed to that, mind you—but under that we may have a rich man, as was pointed out, who could get \$40 a month after he had reached the age of 70, if and when that Act goes through—and I have no intention of opposing it. But with regard to the veterans, the soldiers, we have nothing before us at all to increase the pension to veterans who, as I said before, to my mind have precedence above every other citizen of this country.

Now, Mr. Chairman, without labouring this point further I would like to make the following motion—

The CHAIRMAN: I do not like to interrupt you, but there is a motion before the committee, and in accordance with what I said at the beginning—and I am not suggesting that there is anything the matter with your motion; I have not even heard it yet; although I can visualize what it is—we will have to dispose one way or another of Mr. Croll's motion before your motion can be called.

Mr. BROOKS: I move as an amendment to Mr. Croll's motion that it be not considered further until we apply for further instructions from the House.

The CHAIRMAN: Does any member wish to speak to it?

Mr. CRUICKSHANK: I have a lot of sympathy with what Mr. Brooks has said, and I think there is a proper time for considering that. I am just as much interested as he is, as the reports of the committee will show, in having our order of reference widened, but I do not think any member of the committee—I do not say is satisfied with 650—but surely we are not going to tie up and delay the veterans who are needy of that amount. Either they need it or not. I think, Mr. Brooks, that we should get this \$2 million and ask to have our order of reference widened. We have to go back to the House before we can get anything, but we have authority now, as I see it—I may be wrong—to pass this 650. Let us get them the \$2 million, and I will still try to get them more, but don't delay the boys who need the money from getting this \$2 million as soon as possible.

Mr. BROOKS: It is not going to take very long. I do not think the boys are going to be held up very long. My point is this, that if we do have our terms of reference enlarged it changes the situation as far as this \$2 million is concerned. If there was an increase in the basic reference and an increase in the war veterans' allowance to look after the unemployable, this \$2 million would not be necessary in this vote, but it could be done through other means.

The CHAIRMAN: I think I can help you. There seems to be some thought in the mind of the committee that if Mr. Croll's motion passes it will dispose of the discussion of this item 650. I think I pointed out to the committee on a former occasion that this item was definitely referred from the committee of the whole to us and we have no power to amend it, except that we might by motion reduce the amount: we must either accept it or fail to carry it. It was sent to us, saving the powers to the House itself. So if Mr. Croll's motion carries it would simply go back to the House in our next report as a recommendation which would be considered by the government. We, in bringing this item before parliament, could suggest that the vote be redrafted to omit that word. We cannot take the word out, we cannot amend it. My point is that Mr. Croll's motion does not advance the item 650 away from our consideration or conclude it in any sense. It is a matter of housekeeping. At the opening of the meeting the clerk handed me the motion and said that this was the first order of business on item 650 as it related to Mr. Cruickshank's motion. Your motion would be immediately in order the moment Mr. Croll's motion had carried. I hope you will agree with me on that in the interest of procedure. If Mr. Croll wishes to push his motion I cannot accept a second one.

Mr. BROOKS: You can accept an amendment.

The CHAIRMAN: I must accept an amendment.

Mr. CROLL: I agree with Mr. Cruickshank. I think you have made that clear. There is nothing to be gained at the moment by the motion of Mr. Brooks being dealt with; he will have an opportunity to introduce his motion afterwards and it can be dealt with, but not until we dispose of this item. If we should carry the amendment and send it back in the House it may be weeks before we get it back again. The order paper is jammed with estimates to be dealt with. It seems to me he does not give us ample opportunity to discuss the amendment in the light of the motion. I think the proposed amendment would be better as a motion, to be discussed and dealt with in that fashion; and in the meantime we should dispose of this item. We have to carry it or refuse it. I do not think we are in the mood to refuse it.

Mr. BROOKS: It can be disposed of by calling for a vote on the amendment and on the motion.

The CHAIRMAN: Is there any further discussion?

Mr. GILLIS: I listened to Mr. Brooks and I understood it was his intention in making his amendment not to preclude any possibility of a vote or the acceptance of this unemployability grant.

Mr. BROOKS: I have not moved my motion yet.

Mr. GILLIS: You accept the Legion brief in total, and that is that it introduces a new principle into pension machinery and gets away from the regular base that was established when the Pension Act was established.

Mr. BROOKS: I did not say that.

Mr. GILLIS: If you accept the Legion brief should you not accept this statement?

Mr. BROOKS: I am asking that the terms of reference be enlarged.

Mr. GILLIS: Your whole argument is against that. I am speaking about this motion and the amendment and the relation thereto. If you accept this unemployability settlement as it is then you are accepting something that the Legion have argued strongly against as changing the whole machinery.

Mr. STEWART: But which every other organization accepted in principle.

The CHAIRMAN: Order, please.

Mr. GILLIS: If that is accepted Mr. Brooks asks that we go back to the House for new instructions. New instructions on what? I think you have to be more specific.

Mr. BROOKS: I have a motion here.

The CHAIRMAN: Will you permit me, Mr. Gillis? It is moved by Mr. Brooks in amendment, that consideration of item 650 be deferred until the committee has asked for further instructions from the House. Now, I have had this motion just handed to me. This is not an amending motion, this is an entirely separate motion without relevance to the subject matter of Mr. Croll's motion. My understanding of what Mr. Brooks proposed to move was that Mr. Croll's motion be not now put but that it be deferred until a later date. This motion which has been put before me reads: "Moved by Mr. Brooks, in amendment, that consideration of item 650 be deferred until the committee has asked for a further instruction from the House."

That is not relevant to the motion and as such would not be in order.

Mr. GREEN: Mr. Chairman, may I point out that this is, in effect, an amendment to Mr. Croll's motion, because it says that there be no further consideration of this item 650 until certain things have been done. Now, that obviously includes consideration of Mr. Croll's motion with regard to item 650. It is a proper type of amendment to be moved and I suggest that we should give further thought to the question of whether it is in order. It simply says that before we go ahead to consider this item, including Mr. Croll's motion, because it is on the item—before doing that we should go back to the House and ask for a broadening of our terms of reference. That I think is clearly in order and is the type of amendment that is moved in the House quite frequently.

The CHAIRMAN: I think I will have to concur in that but I will have to add that it is ruled out of order. I think, speaking without offence, that the present wording is an ingenious wording to introduce as an amendment a motion that differs from the subject matter of the motion. I did ask Mr. Brooks to defer until the other matter was dealt with. And further than that it does anticipate an action which the committee has not yet taken. Under the circumstances I understood when Mr. Brooks said he was going to move an amendment to Mr. Croll's motion that he was going to move something in the nature of the amendment moved by Mr. Cruickshank at a previous meeting to the effect that the matter be not now decided; and that, of course, would be in order. However, I cannot accept this motion as an amendment to Mr. Croll's motion. The discussion is on the motion.

Mr. BROOKS: As a matter of fact, my intention was to move a separate motion altogether from Mr. Croll's motion, and it was only when you said that Mr. Croll's motion must have precedence that I moved my amendment. I wanted to clear Mr. Croll's motion out of the way so I could move the motion I intended. I understood Mr. Croll to say that he would suggest that after his motion was out of the way then I could move my motion.

The CHAIRMAN: I said that.

Mr. BROOKS: If it is agreeable to the chair I will withdraw my amendment.

Mr. CROLL: Mr. Chairman, Mr. Brooks has not any right to hold me responsible; I am not making the rulings. I suggested that this was not the time for it but that there would be a time for it. That is all I meant to suggest.

The CHAIRMAN: I think the record will bear out what was said. I said that this matter was before us and should be disposed of and at that time it would be in order for him to bring in a motion with respect to this matter.

Mr. CROLL: I do not want Mr. Brooks to have the wrong idea as to what is in my mind. I think these two things have to be done. We are dealing with the motion and I assume we are all in favour of the motion.

Mr. PEARKES: Can we have the motion read?

Mr. CROLL: Yes. We are in favour of that and I think the next item that has to be dealt with is that the item be reported. That follows. Then after that I think you come in. I don't know, but the item has to be reported. Once we are clear of the item then you can put your motion properly.

The CHAIRMAN: When we come to discuss these matters let us take one thing at a time on the ground that the amendment of Mr. Brooks anticipates actions to be taken by the committee and presumes that the committee will take certain action. I cannot accept an amendment to Mr. Croll's motion. In respect to the wording of Mr. Croll's motion I said the discussion of this committee is now on item 650 of the supplementary estimates, and having said that I reminded the committee that in accordance with Mr. Cruickshank's motion Mr. Croll's motion took precedence. As soon as Mr. Croll's motion is disposed of then we are on item 650, and motions dealing with that are in order.

Mr. GREEN: May I ask what the effect of Mr. Croll's motion is? Is it to delete the word "major" from the item?

The CHAIRMAN: That is all.

Mr. GREEN: And it is not to deal with the merits of the item at all?

The CHAIRMAN: Quite. I have Mr. Croll's motion before me. It is not an amendment. Mr. Croll's motion was that "in the opinion of the committee . . ."; it cannot amend; and when we make our report to the House, if Mr. Croll's motion carries, that report will say that the committee resolved on a motion by Mr. Croll that in the opinion of this committee this word should be deleted: "Mr. Croll moved that in the opinion of the committee the word 'major' between the words 'is' and 'factor' in the fourth line of item 650 of the supplementary estimates ought to be deleted."

That is all we are voting on.

Mr. GREEN: If that is all we are voting on then there is no basis for making a report to the House on that one motion.

The CHAIRMAN: It has not been proposed.

Mr. GREEN: You say it will be reported to the House?

The CHAIRMAN: In our next report.

Mr. GREEN: That the word "major" be deleted?

The CHAIRMAN: If it carries.

Mr. GREEN: That, I suggest, would be ridiculous because the amendment might be defeated by the committee and you could not refer back a matter of this kind unless you reported back the whole item. I want to know whether you are going back to the House with a report from this committee on only that one word in the item?

The CHAIRMAN: There is no such proposal.

Mr. GREEN: As long as we are clear that we are voting on whether that one word "major" should be in the item—

The CHAIRMAN: That is right.

Mr. GREEN: And that after that we will go on to consider the whole item, without any reference to the House at his stage?

The CHAIRMAN: Unless the committee desires it there is no intention on my part. The first report to the House will involve the acceptance or the rejection of this item, if the committee should so reject it, and in that report any further suggestions with respect to it will be incorporated.

Mr. GREEN: As long as we understand.

Mr. CROLL: I do not want Mr. Green to have any misunderstanding, because he is so specific, about what is likely to happen. After this motion is carried, as I presume it will be, I intend to move and I mean to move that the item be carried and be reported. Then, I presume Mr. Brooks will move his amendment. I must follow up by moving the item in order to carry through. I said that before and I want Mr. Green to be quite clear on it.

Mr. GREEN: You could move that the item be carried but any question of reference to the House would have to be by a subsequent motion?

Mr. CROLL: Yes.

The CHAIRMAN: Well, gentlemen, Mr. Croll moves: That, in the opinion of the committee, the word "major" between the words "is" and "factor" in the fourth line of Item No. 650 of the supplementary estimates, ought to be deleted.

Carried.

Mr. CROLL: The motion is that: That item 650 carry and be reported to the House.

Mr. GREEN: You said you were going to move it.

The CHAIRMAN: Now, the discussion is on the motion to report the item.

Mr. BROOKS: I would like to move an amendment:

That Item 650 do not now carry but that this committee request the House that it be given instructions to consider the basic rates of pensions and the War Veterans Allowance Act and make recommendations in reference thereto.

Mr. CROLL: Let us have the wording again.

The CHAIRMAN: It is moved by Mr. Croll that item 650 of the supplementary estimates be reported to the House. To that motion Mr. Brooks moves an amendment—that the item do not now carry but that this committee request the House that it be given instructions to consider the basic rates of pensions and the War Veterans Allowance Act and make recommendations in reference thereto.

The discussion is on the amendment by Mr. Brooks.

Mr. QUELCH: Mr. Chairman, speaking in support of the amendment I think before this committee proceeds any further we should get clarification of the whole question. Just how far can we go on the question of pensions and also, later, on the question of war veterans' allowance? I do not think that you can entirely divorce item 650 from an increase in the basic pension.

If you read the speech by the Minister of Veterans Affairs, with reference to page 24 especially, you are bound to come to the conclusion that the minister was putting this forward as an alternative to an increase in the basic pension. You cannot come to any other conclusion.

I understand that there are somewhere in the neighbourhood of 162,000 disability pensioners and, based upon the cost of living today, the purchasing power of those pensions is worth only 55 cents on the dollar as compared with 1935-39.

When the Veterans Affairs Committee in 1938 dealt with this question they recommended an increase of 25 per cent in the pension. It is interesting to note at that time that the committee did not argue that wages had risen and that the majority of the pensioners were employed, and that therefore it was not necessary to increase basic pensions. They had all that information before them, but the committee of 1948 looked upon the pension as compensation for disability and, therefore, said that in view of the fact the cost of living had risen they recommended an increase of 25 per cent to take care of that

situation. The cost of living in 1948 stood at the figure of 151. The cost of living stands today at the figure of 181. Therefore, if the committee of 1948 was justified in asking for that increase of 25 per cent, then surely the committee of today is in the same way justified in asking for an increase to take care of the still further increase in the cost of living.

Now, apparently as an alternative to requests by the Legion and other organizations, the government is proposing a supplementary allowance to take care of unemployment, but that will only be paid to a very small percentage of the pensions. I think we should have tables given to us showing clearly just how many pensioners may benefit as a result of item 650. The minister stated that 90 per cent of the pensioners are employed. That would leave 10 per cent. Then, of that 10 per cent there are still a number who will not be able to benefit. Of that 10 per cent any over the age of 70 will not benefit; any receiving superannuation will not benefit; so, if we eliminate all those who will not be eligible for this supplementary allowance, we will find that probably less than 5 per cent of the disability pensioners today will receive benefit as a result of item 650.

Now, if we are going to give an allowance to 5 per cent of the pensioners, as an alternative to giving an increase in the basic rate of pension to 162,000 pensioners, I do not think it can be argued that we are meeting the problem as we face it today. Before we proceed any further I think we should have figures given us showing just the number of pensioners that the department expects will benefit as a result of this legislation showing: first the number that are unemployed; then the number that are above the 45 per cent disability rate; then the number that are above the age of 70; then the number that are receiving superannuation; and then figures showing the number who will be eligible under this item.

The CHAIRMAN: Will you pardon me if I interrupt you, Mr. Quelch. It seems to me that you are beginning to develop an argument for an increase in the basic pension. I am in the hands of the committee, of course, but it seems to me we have a specific amendment by Mr. Brooks before us. If Mr. Brooks' amendment to go back to the House for further instructions should carry and succeed, then this debate would have to take place again.

I suggest to you that before entering into broad discussion of the basic pension, which we have already said is proper discussion, we ought perhaps to dispose of the principle of the amendment which Mr. Brooks has made. I am not ruling that, I am suggesting it for the guidance of the committee and of course the committee is its own master.

Mr. QUELCH: Well, Mr. Chairman, the amendment does mention an increase in the basic pension and I was merely attempting to show why we should go back to the House.

The CHAIRMAN: That is all right then, if that is your point.

Mr. QUELCH: Well, if there is no argument for increasing the basic rate of pension there is no justification for the amendment.

The CHAIRMAN: I have no desire to interrupt you but I simply want to keep the committee as close as I can to the issue involved in this particular resolution.

Mr. QUELCH: The thing I am particularly interested in is the reputation of the committee in reference to this question of basic pensions. This committee has had a pretty fine reputation in the past—except in 1940 ably taken the stand of improving the lot of pensioners. Yet, I am afraid when it temporarily eliminated insurance clause—but it has invariably taken the stand of improving the lot of pensioners. Yet I am afraid committees in the future, owing to the proceedings of this committee, will feel that this committee for the first time introduced some form of a means test instead of an increase in the

basic pension. I think that the Legion witness, Mr. Lumsden, made the point clear when he drew attention to the fact that those receiving the old age pension, and those receiving superannuation would not be eligible—nor would those who have increased their needs as a result of being employed. You are very definitely introducing some form of a means test and, in many respects it can be looked upon as a very tight means test when you take into consideration the fact that out of 162,000 pensioners only 5 per cent or less will benefit. When you realize that 95 per cent of pensioners will not be able to get this benefit you can see that it has a pretty tight means test applied to it.

I think it is a dangerous principle for this committee to introduce. It has never been introduced in the past and there is no doubt that if it passes committees in the future will say: if it was sound in 1951 to say that an increase in pensions could only take place when veterans were unemployed, then it is sound now—and it may be the thin edge of the wedge to introduce the principle under which when a man is fully employed he will not be allowed a pension.

I think it should be given very careful consideration.

Mr. RICHARD: I may be wrong, but it seems to me that we have three different and separate things before the committee: the question of the supplementary vote to the unemployables; the basic basis of the pension; and the question of the War Veterans Allowance Act. I do not see by adopting the first thing before the committee that we are in any way bound, or that we have pronounced ourselves on the question of the basic pension or the War Veterans Allowance Act.

I believe as does Mr. Brooks, that it is a question which has to be studied but I would have to vote against the amendment because I feel we should dispose of this in the main motion. By voting for the amendment those who need help first will be denied that help. I think we should dispose of that matter first, clear it, and proceed with the other questions which, to me, are not at all allied and should be divorced from this. No matter what the minister may have said in the House, I do not consider the matter before the committee to be an alternative to a revision or study of the basic pensions.

Mr. JUTRAS: Mr. Chairman, I want to say that no matter how we look at the amendment by Mr. Brooks, the fact is that it is going to kill this unemployability supplement if not finally at least temporarily. The thing we have before us now is the giving of this measure to the veterans. It has been demonstrated even by those who have a great deal of compunction in passing this motion that it would fill a real need among the veterans at the present time.

I still feel very much that this motion can stand on its own feet, although Mr. Quelch has referred to it again as an alternative to something else. I feel that it is nothing of the sort; that it is a measure that will benefit the veterans irrespective of anything else. Mention has been made again, too, that it is introducing a new principle into the Pension Act. I think it has been made clear that is not so because although it is tied, and I have to use the words 'tied to the Pension Act,' it is not in any way shape or form putting any strings on the basic pension as such, or on the Pension Act. It is only tied to the basic pension for purposes of administration.

Talk has been made of a means test. I do not think there was a single instance given in all the discussion which has taken place to show that it did apply a means test to the pension. The only thing it applies to is unemployability, and there is a great deal to be said on that. It will be a difficult test to apply. I agree, but even if it is a difficult test and even if the administration may prove to be difficult, I do not see how that makes it a means test. It is not for those reasons a means test.

Another argument has been put forward that it would not affect those in the lower pension groups. I think that would also be true of an increase in

the basic rate—although I do not want to go into that at the present time. It should be remembered that an increase across the board would not mean any change in the cheque issued to veterans in the same category, because the little increase that would take place would be taken off the war veterans' allowance which they are receiving. In the final analysis their monthly cheques would be the same with one or the other measure. However, I do not want to use this as an argument against the basic increase, because I am not discussing a basic increase at the present time. The argument that has been presented is one against the unemployability supplement, but I should say the argument does not apply any more favourably to a basic increase than to the unemployability supplement.

I still feel, in spite of what is done for a basic increase or for the War Veterans Allowance Act, that there is still a real need for a measure of this type. Resolutions have been passed already in the local branches across the country, although in different form, asking for extension of the War Veterans Allowance Act down the line. They point to the same need. This unemployability supplement does not affect the basic pension any more than the extension of the War Veterans Allowance Act, and since we are faced with this now, I think it would be wise to go ahead and pass the measure on its own merits at this stage.

Mr. GILLIS: Mr. Chairman, I just want to say that I am not arguing the merits or demerits of the matter at all, because the motion does not call for that. Mr. Brooks' motion merely suggests that we leave this matter as it is at the present time and ask the House to give us further instructions on the broadening of our terms of reference.

Now, I am just briefly going to state why I think the decision should be delayed at this time. It is better to have some delay than to make a mistake, and I think it would be a mistake at this time to antagonize the united veterans organizations across the country. We are living in a country where soldiers, in the future, are going to be very important. The soldiers you are getting today are going to be veterans tomorrow. The treatment you are giving veterans today is going to have a lot to do with the attitude of soldiers today.

The attitude of the government and this committee over the years toward the Legion has been very good. They look upon us as their representatives—not as members of a party. I think this matter came up very quickly and I do not think that anyone who gave evidence had a proper opportunity to study the matter. The Legion was preparing for a convention; the heads of the organizations were preparing for a trip overseas and the best they could do was to take a quick look at it. They might have been right or they might have been wrong. I am not going to discuss that, but they made a request to this committee. They did not say they opposed this and they did not say they rejected it. They said they thought it interfered with an increase in the basic pension and that we should go back to the House and ask for a broadening of our terms of reference.

I think it would be better to do just that than to antagonize the veterans organizations in this country.

I guess that all of you have been receiving wires from your branches backing the stand of the executive of the Legion very strongly. I think that Mr. Brooks' amendment should be passed and, if the government is disposed to broaden our terms of reference, we can then consider this vote in relation to basic pensions and war veterans' allowance. If it is possible, that should be done. None of these organizations took the responsibility of either rejecting or accepting this as it is—and I do not think it is fair to ask this committee to accept it. In the final analysis it is the government's responsibility and not the responsibility of this committee; and we should not be placed in a position where we have to go in the face of recommendations of representatives of the men who have fought past wars for us.

I would suggest, Mr. Chairman, that the fastest way out of the difficulty is to accept this amendment and find out what we can do. Now, that is going

to mean delay. I do not think that we have time during this session to go into the whole question of basic rates of pension, but as I say, it is better to take a little time than to make a mistake.

I can make a strong case for either side of this question. I can make a very strong case for the supplement—I am not going to do that now, I have said what I thought about it; and I can make a strong case for an increase in the basic pensions, but I am not going to do it now. However, I think we should get authority.

Another thing. I never had the impression that the basic rate was established on the basis of common labourers' wages. My impression has always been that the basic rate was based on the average income, and that sounds much better. That was my conception years ago, when the Act was established. It was not based on labourers' rates—that sounds like you are talking of a ditch digger and basing the pensions on that rate. It was based on average rates. They were low at the time and they have gone up, and it would be well to make an analysis now of the average income in the country, when fixing the basic rate—rather than leaving the impression that all we ever consider, as a standard of living for the 100 per cent pensioner, is the standard established by the fellow that digs a ditch.

Instead of chasing the cost of living index to find a basis, I think that an average should be struck again. If we want to know where the whole crux of the problem is we will find that it was in 1946 when we started to take off price controls. That is what sky-rocketed everything in this country, and that is what has created this problem—we were not far-sighted enough.

That is all I have to say Mr. Chairman, but I think we would be well advised to think this over very carefully. We would be well advised to take the suggested amendment, and go back for new terms of reference. Then let us sit down and do a job on this thing, because it is very important to this country.

Mr. HOSKING: Mr. Chairman, I am one of the new members of this committee, and I am also one of the new members in the House of Commons. We had a session of the House of Commons in 1949; we had another session last year, 1950; and we had a short session in September of 1950; but we did not have at any of those sessions a committee on Veterans Affairs.

Mr. BROOKS: It was asked for.

Mr. HOSKING: We had no opportunity to make any recommendations at all. However, at this session the government has felt that it was required that something be done immediately for the veteran who has a fairly large disability, who has not a job, and who needs some help right now.

I do not believe the minister of this department or any of the other cabinet ministers have discovered this situation for themselves. I believe that the people who have been doing things for the veterans across the country have brought in their recommendations to the government—that it is urgent that something be done for these veterans. The government has appreciated that fact and has, after three sessions of parliament have elapsed without a veterans committee, formed a committee on veterans affairs to study the problem, with the hope that this would meet with the approval of the committee to allow the people of this dominion to supply more help to those veterans who require help right now. We should not delay it for another year.

As many of the older members have said that would be a very bad precedent. I quite agree, but I have read and I have tried to find where any member of this committee said, when war veterans allowance was passed, that the disabled veteran should not receive any of it because it was contrary to the basic principle of pensions.

This is the same thing, and if any of those members who now say this is a change in the basic pensions had then said that the war veterans' allowance

should not be accepted by veterans because it was wrong in principle, I would immediately support them.' However, in no case can I find in the record anywhere that they agreed it was a departure from the basic principles for pensions—and neither is it. Any delay in this, in my opinion, is utterly wrong, and I cannot do anything else but support its passing at once in order to allow the people who have seen the necessity of it to get on and pay it out right away.

One other thing, and this is very supplementary, and I will not be very long. I do not like anything that stirs up trouble. I think we only live through this life once and anything that we can do to promote the comfort and peaceful living of our own citizens is important. I happen to come from the class of ditch diggers. I earned my way through university as a ditch digger, as a mucker in a mine, and when anyone suggests to me that is not an honourable way to earn a living I do not like it.

Mr. CROLL: He did not mean that.

Mr. GILLIS: That is nonsense.

Mr. HOSKING: The labourer in this country is just as important a man as any other, and I earned my living and my way through university digging ditches. I do not like to hear anything disparaging said about a man who works with his physical body, with his hands. To set that as the basis for pensions is a very fair way of doing it, and it is no discredit to the labourer or ditch digger in this country in any way. He can move in any society and he can get to any position.

Mr. GILLIS: Well, Mr. Chairman, I do not want to take that enthusiastic lecture without replying. I have dug a lot more ditches than my friend ever did and I guess that if I left here tomorrow I would be back digging ditches.

The CHAIRMAN: Oh come—

Mr. GILLIS: I did not mean it in that way. I meant that the connotation in that regard—the establishment of the basic pension rate on common labourers wages—sounds bad.

Mr. HOSKING: I do not think it does sound bad. It is an honourable profession.

Mr. GILLIS: I meant in terms of income. You did not like the earnings you received digging ditches so you went to university to improve yourself.

Mr. HOSKING: Nobody has given me a cent since I was fourteen, and I earned my way digging ditches.

Mr. GILLIS: There is nobody arguing with you on that.

The CHAIRMAN: Modesty prevents me from saying a word.

Mr. CROLL: It must be modesty.

Mr. GILLIS: The impression that the average person gets, or will get about this is that it is based on a \$1,000 a year income. Fifty per cent of the people in this country are not in the income tax brackets at all and you do not want to set the basis for a 100 per cent pension at an income that is below the taxable income bracket—and that is the impression it creates. I do think too that when the actuarial basis was set it was based on the average income. Instead of following the cost of living as an argument, the thing to do is to follow the average income in the country and argue from that position. The impression that the basis is that of the lowest incomes in the country is not a correct impression.

Now, I have dug a lot of ditches in my time, my honourable friend, and I want to tell you that I have the highest respect for the guy who digs ditches—I represent him in this House.

Mr. CROLL: Mr. Chairman, may I just say that I want to share with Mr. Quelch one view that he expressed. I have been on Veterans Affairs

Committees since 1945 and the point Mr. Quelch made to which I refer was the jealousy with which we hold our reputation in this committee.

We have bragged, and rightly so, that we have had the best veterans legislation in the world. I believe, and I am sure this view is shared by the others, that we will continue to see the situation continues in that light.

Now, I do not know where members get the impression that once they have dealt with this item they cannot deal with the basic pension. I certainly think before this committee is very much older we are going to deal with the basic pension. There are items where it can be dealt with and fully explored and discussed. At the moment we are dealing with an item of \$2 million. I would say to take the \$2 million, but I do not particularly agree with Mr. Quelch about the words "means test". I might be sensitive about it and I think we all are, but it is a bit repellant to me. That is one objection I had to his presentation. I think it is fully agreed that the amalgamated veterans, represented by the national council, said they agreed with the \$2 million and saw no means test in it.

Mr. GREEN: Oh, no.

Mr. CROLL: That is my reading of it. Let me see what the Legion says about the \$2 million supplement. I will read from page 144, part of a quotation, and anyone who wants to read the other part of it may do so. I asked Dr. Lumsden this:—

Mr. GREEN: What page?

Mr. CROLL: 144.

Mr. STEWART: What day was that?

The CHAIRMAN: The last day.

Mr. CROLL: "Now, will you please deal with the supplement on its own, leaving out the word "major" and tell us exactly what objections you have to that, assuming that the administration is the same sort of administration that we previously had with respect to war veterans' allowance and similar legislation. Now, what can you say on that point?"

The answer was:

In the first place, Mr. Chairman, I would say that it cannot be divorced by the terms of reference from the pension because it expressly is intended to meet the subsistence needs of a totally disabled war pensioner who is unemployable, and we contend that the pension itself should be adequate for that; but if you are trying to say: well, supposing the pensions were brought up and made adequate, what would be our reaction to this thing—then there would probably be matters of administration that would trouble us. I do not know that we would have any objection in principle with it, but there may be matters of administration.

Mr. GREEN: That is why the basic pension should be increased.

Mr. CROLL: He is asked the question of what he has got to say with respect to this item if the word "major" were eliminated. In the end he makes some conditions but he says he has no objection in principle. That is my point.

Mr. BROOKS: He says: "Well, suppose the pensions were brought—" and that is the basis of his argument.

Mr. CROLL: No, but he does not say he objects to this in principle. He accepted in principle but puts certain conditions on it.

Mr. QUELCH: As long as it is not used to take care of the low income brackets.

Mr. CROLL: I do not know how this will be administered but I tried to indicate it would be administered in the same way as the Pension Act or the War Veterans Allowance Act, and I left that with him.

However, I have just this to say. We have an item here which I think is unrelated to any other item. I think when the matter of basic pensions arises before this committee there will be ample time to discuss it, and I think there is much to be said for an increase in the basic pensions—I think we have to discuss in that light; but for the moment, I think our responsibility is not to reject this present item.

If Mr. Brooks decides later on to introduce a motion dealing with war veterans' allowance, we will discuss it at that time if we can find an item that will cover it, and I am not sure on that—but I do know there is an item on which we can discuss basic pensions, and when the time comes we will discuss them. We will pass our views on to the proper authority.

I think it was Mr. Quelch who said that after all it is the government who is dealing with this; it is not for us to deal with it. We can make certain recommendations—

Mr. Brooks: We want the blessing of the House in our discussions. What is the use of discussing it if we are not going to get anywhere.

Mr. CROLL: It is not so much the blessing of the House for our discussion, we want the blessing of the House to increase the basic pensions for veterans. That is what we are looking for and if we find it is within our scope to deal with the basic pensions I think we will have ample opportunity to discuss it at a later stage.

Mr. QUELCH: Would the chairman deal with what Mr. Croll has just said.

The CHAIRMAN: We were discussing this matter of making recommendations and I will read what I said. It appears at page 92. I said—and we were talking about Vote 650:

"We had no power to delete one item and offer another in its place, but that we must deal with the item before us as is, take it or leave it."

I was then referring to vote 650.

And having done that, if this committee desires to make a recommendation, with its commendation or otherwise, it is solely within the power of the committee to do so.

That is a quotation from what I said at that time.

I did interject at some point in the discussion with Dr. Lumsden who was before us, that his recommendation was unnecessary—to refer back for instruction from the House to give this committee power to deal with the basic pension.

Those are the only pronouncements that have been made and I have no reason to withdraw either of them.

Mr. CRUICKSHANK: May I refer you to page 16—perhaps I should even start on page 5.

The CHAIRMAN: Page 92 postdates 16, but let us go back to 16.

Mr. CRUICKSHANK: On page 5 I said:

I would like to have the order of reference read again, because I intend in some way or other to make a motion to expedite what I consider to be the most important matter before this committee at the present time.

The CHAIRMAN: On page 5?

Mr. CRUICKSHANK: Yes, the first page of the evidence.

The CHAIRMAN: I have got it.

Mr. CRUICKSHANK: Well, just a minute, Mr. Chairman. On page 16 I said:

Are we entitled—I am asking for information at this meeting now—to make a recommendation to the House that our order of reference be amended to permit us to make such a recommendation.

You said:

The committee always has the power to ask the House to amend its own terms of reference. The power to amend the terms of reference naturally lies with the House itself, but the committee has the power to report back to the House and ask for a change in its terms of reference.

The CHAIRMAN: That is correct. We have accepted the motion of Mr. Brooks which does exactly that. The amendment does exactly that, and I have not challenged the power of the committee.

Mr. GILLIS: May I ask a question Mr. Chairman?

The CHAIRMAN: Surely.

Mr. GILLIS: Passing this motion does not affect this vote at all does it? It merely lets the thing lie in abeyance pending receipt of amendment of our terms of reference.

Mr. STEWART: May I say something in connection with the remark made by Mr. Gillis, for whom I have every respect.

I understand that he takes the view today that this should be referred back, and he also takes the view that if we refer it back it will not be finally disposed of this session.

Mr. GILLIS: No, I was not talking about this at all. I was talking about the Pension Act.

Mr. STEWART: Well, if the whole matter were referred back it would not be dealt with this year. The basic pension would not be dealt with this year?

Mr. GILLIS: That is right.

Mr. STEWART: There is no assurance either that this particular item would be dealt with this session if we were to refer the whole matter back to the House?

Mr. GILLIS: I am not going to permit the honourable gentleman to put words in my mouth.

Mr. STEWART: I am not doing that.

Mr. GILLIS: Let me put you straight. I said I supported the motion because it merely leaves this vote in abeyance here pending results of the request by the committee to broaden its terms of reference. That is what the Legion wants.

We can always come back to this. I did say that if we go through the process of amending the Pension Act at this stage of the game you have not got time to finalize it and get anything back.

This vote is not being tabled here.

Mr. CROLL: The resolution says that the item be not reported.

Mr. STEWART: Mr Gillis stated this at page 154, and I agreed with him then: "Might I be permitted to say that I do not think we are getting very far with the matter which is before the committee. As I understand it, Dr. Lumsden is here with us for the afternoon and he wants to make clear, or I want him to make clear to the committee, whether they want to accept this \$2 million vote which is before the committee to assist certain types of pensioners or whether they want it to be thrown out. . .

"The main attack made by the Legion brief on this \$2 million vote has been: (1) The Legion contended that it introduces a new principle in pensions. I do not agree with them, and neither does the last body, the Amalgamated Veterans who were before us the other day.

"Mr. CROLL: You mean the National Council?

"Mr. GILLIS: Yes. They did not agree with it either. I do not think it touches pensions at all. . ."

Mr. GILLIS: That is right.

Mr. STEWART: "... I wonder if Brigadier Melville would set out clearly the schedule of pensions that is based on medical examination and which is written into the Pension Act. This does not change the schedule in any way shape or form.

"The second point of attack is that it introduces a means test. The amalgamated veterans did not agree with that and neither do I. I do not think it introduces a means test at all. It introduces a much more difficult test. The means test is not hard to determine."

Now, in view of that statement referring to the \$2 million item why hold it up? These men are men who cannot get employment, they need work, or at least they need this \$2 million and it will take some time, as was explained by the officials of the department, to ascertain who actually is going to get the \$2 million.

If we refer the matter back to the House you are hoisting this whole thing for needy veterans. You are not through with the estimates yet and they will take some time. There is some question about whether we will sit after the end of this month. My suggestion is that we deal with this item of \$2 million and pass it. I think everybody is in favour of needy veterans getting it so why hold the matter up?

In so far as protests are concerned I sometimes have to think. I am a past president not only of our local Legion but of the old Great War Veterans Association, and also head of the army and navy veterans in our province. I know something about the matter, and yet as a young member of this committee I respect the viewpoints of the older members.

Why not get this \$2 million vote through now—get it through immediately; do not hold it up. The longer we delay this thing the longer it will be before these needy veterans are going to get it. Are we going to wait for a long debate in the House if we get time to debate the whole matter of pensions?

I agree with Mr. Gillis that the passing of this item in no way relates to the matter of the basic pension, and I also agree with the ruling of the chairman who is perfectly willing to deal with the matter of basic pensions in this committee after we dispose of this vote. Let us then deal with it.

I may say that in so far as agitation from veterans associations is concerned I have a number of them in my riding and I have not received one wire or one protest in connection with this matter from the branches.

Mr. GILLIS: They are busy seeding.

Mr. STEWART: They were not busy seeding when this was introduced and they are all through seeding now. It is a matter in which they are deeply interested and I do not know whether this thing is worked from the top down or bottom up.

The Legion branches in my riding know me very well and they would have wired me.

Mr. HERRIDGE: Every branch in British Columbia supported the national office at the last convention.

Mr. STEWART: They may have at the dominion convention, but a great many branches in my riding do not send representatives to the dominion convention—others do. Of those which did none have wired me; none have passed any resolutions that I know of in connection with this—and I visit the branches and I have spoken at most of them.

What I think is fundamental for this committee is to pass this vote; get it under way. Let them get on with it for these fellows who actually need the \$2 million. I am not going to criticize any group here because the opposition has the right to talk when they like, to move anything they like, and so on, but a lot of time has been wasted. We could have done this much quicker if we had not done so much talking. I agree with Mr. Gillis that if we bring in the other matter we will never dispose of this at this session, and, as far as the cost of living is concerned, it may go up by the next session.

I think we should carefully evolve some plan of relating the pensions to the cost of living if we can, and get it through the House. It is not based on the cost of living now but that is a matter we can take up later—and it will be a long argument.

I suggest now that we pass this item of \$2 million and if we hook it up with anything else we will delay it. Neither of the organizations that appeared before us were against it—except for expressing a fear that it is tied up—

Mr. GREEN: They both opposed it.

Mr. STEWART: I do not think that any of the eight bodies that met us, which included the blind, opposed it.

Mr. GREEN: You had better read Padre Lumsden's remarks.

Mr. STEWART: They were not against it. You read the record. I do not think they were against it. After interviewing the officials of the department the eight organizations, including the blind, and the amps said they were quite willing, I think, to take the \$2 million and see that it was distributed right away. They also, of course, want the matter of basic pension rates dealt with, but this is not tied to that matter, as the chairman has made clear.

If this committee wants to deal with the basic pension rates across the board, as I understand the chairman's expressions and rulings, you are entitled to do that—but let us get this \$2 million now for these people who actually need it and who cannot work.

In so far as my friend Mr. Gillis is concerned, and losing his job here as a member, I can tell him that I do not think there is much danger of it, but if he does, if I had been allowed to develop my speech in the House he would have had no difficulty in getting a job in Saskatchewan under the present government. Anyway we will do our best to see that a man of his ability is taken care of.

Mr. GILLIS: I just wish to say that the hon. gentleman developed his whole speech around what I had to say.

The CHAIRMAN: Most of it was complimentary.

Mr. GILLIS: I refrained from discussing the merits or demerits of this and the Pension Act. When I started I said that I could make a strong case for the supplement, but the hon. gentleman apparently misunderstood why I wanted this matter referred back to the House. It is because of the attitude of the representatives of the very large bodies of people in this country. I refrained completely from discussing the merits or demerits—and there is no reason why it should not go back.

Mr. STEWART: Do you agree that referring it back might delay the \$2 million going through this session?

Mr. GILLIS: It is a bad time to start talking about delay now. We have been here since January and if the government were honestly interested in getting these things cleared up and out of the way—

Some hon. MEMBERS: No, no.

The CHAIRMAN: Gentlemen, we have certain precedent in this committee of which I am very jealous as I am sure are all members. Let us not get into political discussions about what happens in the House.

Mr. GILLIS: The opposition has to talk.

There is another angle to this vote. The Auditor General has time after time in his reports recommended against this type of vote. If you will read your Auditor General's reports for fifteen years back you will find that he objects to the type of vote that in fact is legislation—that is flexible up and down—if you need a certain amount you can get it. It should be statutory, and he has recommended against this type of vote year after year.

Mr. CROLL: He is against the "dollar" vote, and not this type of vote.

Mr. GILLIS: It is the same thing.

Thanks anyway for the offer of a job in Saskatchewan.

The CHAIRMAN: Mr. White has the floor.

Mr. WHITE: Mr. Chairman, apparently it seems to be in the minds of at least some members of the committee that under the present terms of reference we can discuss the basic rate of pensions and war veterans' allowance.

The CHAIRMAN: No, I spoke with respect to the basic pension rates. I am not on record about war veterans' allowance.

Mr. WHITE: I refer you to the closing remarks of the minister when this matter was up. After everybody else had spoken the minister dealt with the 1945 and 1946 committees pointing out they were to consider the whole veterans charter. He made these remarks at page 1639 of Hansard:

That is not the case now. We are making the terms of reference wide enough to cover all legislation which is considered necessary at this time as well as any other legislation which the government may find it necessary to introduce before the end of this session.

Now, Mr. Chairman, the terms of reference set out certain bills which were to be brought the House and referred to this committee—and which are now before the committee. The only words you can find in the minister's remarks which might indicate we could consider the terms of the basic pension rates would be the words "as well as any other legislation which the government may find it necessary to introduce before the end of this session." Now the government has introduced a pension bill before the committee which would cover any amendments which they wish to make this session to the Pension Act.

As far as Mr. Stewart's remarks, and other remarks concerning cause of delay are concerned, you have only to look over the order papers to recall the very long time that the motion to set up this committee stood on the order paper. Tomorrow is the 1st of June and we expect the session to end soon, but after all, what is to prevent the amendment of Mr. Brooks' being passed, reported to the House today, the government widening the terms of reference, and you can be back here at 4 o'clock to discuss the basic rate of pension. Why not?

Now, the gentleman at the end of the table, Mr. Hosking, referred to the fact that he did not wish to make any difficulty for the people of the country. I wonder what the people would say after reading carefully the briefs presented to this committee, if the gentleman could not deduce from the briefs the attitude and feeling of the veterans throughout the country? Does he not feel this committee should do something to meet those needs and the requests made by the Legion and the National Council. He remarked about the basic rate of pension being set at the lowest possible level—that of the common labourer. Would he say today the wages of the common labourer are equal to the basic rate of pension.

You can find the basic rate of wage in any city—in Ontario at least—and it is over \$1 an hour, along with certain other benefits. I would submit the basic rate of pension should at least be high enough to cover the basic rate received by the common labourer today.

I intend to support the amendment moved by Mr. Brooks and as far as delay is concerned, it can delay it as I said only until 4 o'clock this afternoon. You can argue all you like that one is not tied to the other, but it is.

Mr. HOSKING: Since I was referred to by the last speaker I would like to have this opportunity to say that I made no reference whatever to what the pension was tied to. I just resented anyone saying that ditch digging was not an honourable profession.

Mr. GILLIS: Nobody said that.

Mr. WHITE: Who said that ditch digging was not an honourable profession?

The CHAIRMAN: I think that particular matter has been clarified. Mr. Goode will now have the floor.

Mr. GOODE: Mr. Chairman, I think that each one of us has to make up his mind whether this amendment meets his approval or not. Frankly I would like Mr. Brooks to withdraw it at this time.

Mr. BROOKS: Oh, oh.

Mr. GOODE: You might laugh at it but I think that with a difference of timing on the matter of terms of reference it might receive more support than it will get at the present time.

I do not think I want to take the responsibility of keeping \$2 million away from these chaps who I think deserve it. I do not think the Legion would want to take that responsibility because, if you remember, Dr. Lumsden in reply to me when I asked whether he would want to take the responsibility of keeping \$2 million from these chaps, gave me an answer that did not refer at all to my question. I do not blame him for that—

Mr. GILLIS: Not a bit.

Mr. GOODE: Looking at this from a sincere light, looking at it in the light of the wires I have received—as I suppose other members of this committee have received them—I realize there are a great number of Legion members in my riding. I could go along with this and perhaps be a very happy fellow when I get home but that is not the way we do business here. There is a certain amount of responsibility a member has to take here and this is one example. I cannot take the responsibility, in my own little way, of keeping this \$2 million from the men who deserve it.

If Mr. Brooks would bring this up under the heading of the Pension Act I would feel free to support it and I frankly say so in this committee, but I do not feel free to support it now because I am not, I repeat, going to take my part of the responsibility for keeping this \$2 million away from these men.

The suggestion is that we return this to the House—but what happens if the House gets the opportunity to vote on it and turns down the committee's recommendation? Where do we go from there? Are we going to leave the \$2 million until the next session, sometime in 1952? None of us know whether we are coming back this fall. Do we take on our own, the responsibility for keeping the \$2 million away from these men?

Mr. WHITE: I would like to ask the last speaker a question? How can he say when talking about going back to the House for directions—whether we receive them or are refused—that it will hold this vote up until next session? We are not saying anything about vote 650; we are only asking for the terms of reference to be widened.

Mr. PEARKES: Very seriously, I would like to advise this committee to endorse and support the amendment moved by Mr. Brooks. I do feel above everything else at this particular time that we want the good will and blessing of the veteran organizations. We want, particularly to have the Legion behind the government of today. The government of today is appealing to the young men, the sons of veterans, to enlist in the service. If there is a feeling, as there is a feeling amongst the veterans associations, that the old soldiers are not getting

an even break, then you are going to see that reaction affect the young men of this country who are today being asked to volunteer for the active force, both for Korea and for western Europe.

It is no good to say that the Legion is not worked up about this provision. The Legion has sent their dominion command here, and has asked this committee to refer its terms of reference back to the House. In the last forty-eight hours I have had six telegrams from the Legion branches in my own constituency, each one asking that the terms of reference be referred back to the House, and that this committee, which has not met since 1948, be given an opportunity to review the whole field of pensions and the war veterans' allowance legislation.

I cannot see that there is going to be any great delay if we get busy and refer back to the House our terms of reference at once. The government can then act on that recommendation and we shall have gained the goodwill of the legion branches all across the country.

We shall have done something, and at least not have put any obstacle in the way of young men who are considering joining the active forces. So I honestly believe that the slight delay of perhaps a day or two—and it would not be any more than that—would be well worth while in order to get the goodwill of the legion and of the other veterans' branches from across the country.

The CHAIRMAN: Gentlemen, we have had a very free expression of opinion with respect to the amendment. I am, of course, in the hands of the committee, but I am wondering if we can add very materially to the argument on either side. In short, is the committee now ready for the question?

Mr. GREEN: Mr. Chairman, this amendment in effect will have the result of our referring back to the House of Commons in order to get instructions from the House to consider the basic rates of pension and the war veterans' allowance Act, and to make recommendations in reference thereto.

It has been made very clear by both of the great and thoroughly responsible groups of veterans who have made their presentations to this committee that above all else they would like to have the terms of reference which were given to this committee extended. I think in each case they asked for an extension to consider all the veterans' problems. Certainly they want to have the reference extended so that we may give full consideration to the need for an increase in the basic rate of pension and to the need of an increase of the war veterans' allowance and changes in that Act.

It was my opinion from the statement made by the minister, when the motion to set up this committee was under debate in the House, that we did not have the power here to make any recommendations with regard to the basic pension or with regard to the War Veterans Allowance. I believe that that was the intention of the minister.

Mr. STEWART: You have heard what the chairman of this committee has said. Suppose he should allow us to deal with the basic rates of pension and we bring in a resolution to the House, would not that be the best test of authority?

Mr. GREEN: The chairman has taken the position that we could discuss the basic rates of pension and also that we could make a recommendation with regard to them. But the chairman was very careful to say that he did not make any such ruling with regard to the War Veterans' Allowance. So at the very least we are faced with the position that we cannot review the War Veterans' Allowance Act or make any recommendation in regard thereto.

Quite frankly I believe there is a great deal of doubt as to whether we have any right to deal with an increase in the basic pensions. I am further convinced that if this question of the basic rate of pension is deferred until after this vote has been passed, there is very little chance that the committee will be able to give consideration to a basic increase or to make a recommendation; and I feel there is absolutely no chance of getting an increase in the basic rates of pension at this session, if that course is followed.

On the other hand I believe that if this committee takes a firm stand on this question, it will be possible to get an increase in the basic rates of pension through at this session.

We had just this same experience in 1948 when the government brought in a proposal for a small increase in the basic rate of pension. The minister came before the committee at that time and said: Now, that is all that there is going to be, and you might as well not discuss it any further. You might just as well accept it and then go on to consider something else.

Mr. CROLL: Who said that?

Mr. GREEN: The hon. Mr. Gregg.

The CHAIRMAN: I think that is an exaggeration, Mr. Green. However, the record is there and it will speak for itself. You might say that that was your interpretation of what was said by the Hon. Mr. Gregg.

Mr. GREEN: I can produce the very statement read by the minister. I was astounded to hear it. I remember one or two of us got up and said that we were not satisfied. And eventually the rest of the committee took the same stand so that in due course there was a second increase proposed and then a third increase proposed before the question was finally settled.

Now the Hon. Mr. Gregg's statement may have been on the second increase and not on the first, but in any event it is there in the record which will speak for itself.

So I would suggest that the course for this committee to follow is to demand that there be an increase in the basic rate of pension. And if we take that position, I do not believe any government of Canada would dare to stand against it, especially when there has been such a unanimous demand for an increase made by these great veteran's organizations.

They have sunk any differences they may have had and they have come in here and presented a united front in their demand for an increase in the basic rate of pension.

And always remember this, that if this basic rate of pension is increased as they suggest, all of the cases which would be covered by this supplementary vote will be covered by the basic increase.

The result in some cases may be, perhaps, that the pensioner would not get so much; but by and large the problem will be met by an increase in the basic rate. I have some other remarks to make, but as we have to get out of this room by 12:45 I suppose I must break off at this point.

Mr. JUTRAS: Mr. Chairman, I move that we adjourn to meet again at 4:00 p.m. today.

The CHAIRMAN: I would like to say that in view of the fact that we are all anxious to dispose of this legislation at the current session, that we will sit in the afternoons unless the committee votes against it, on Mondays and Thursdays until we conclude consideration of our bill.

The committee now stands adjourned until 4:00 o'clock this afternoon.

—The committee adjourned.

AFTERNOON SESSION

The committee resumed at 4.00 p.m.

The CHAIRMAN: Gentlemen, when we rose this morning we were discussing the motion of Mr. Croll to which Mr. Brooks had moved an amendment. Mr. Green had the floor, and he indicated at that time that he wished to extend his remarks.

Mr. GREEN: Mr. Chairman, my suggestion is that this vote 650, which reads: "Pensions and other benefits—to provide financial assistance after the 31st of May, 1951, in accordance with regulations to be made by the Governor in Council, to unemployable veterans who are in receipt of pension under the Pension Act for a disability which is a major factor contributing to their unemployability." The word "major" I understand will now be out. My suggestion is that this vote, and the question of whether the basic rate of pension should be increased, and also war veterans' allowance, are all involved in the problem which is before this committee. I do not believe it is possible for us really to thrash out the problem and reach a reasonable solution unless we are free to deal with these three items in considering the problem. Of course, the suggestion made by some of the members of the committee was that rather than consider the whole problem we should approve of this vote right away and then perhaps take up the question of basic pensions later. As for war veterans' allowance, we have no authority at the moment to deal with that at all.

I do not think too much emphasis should be placed on the argument that if we do not do this right away somebody is going to suffer. That of course sounds plausible, but actually in the working of our parliamentary mill it is not going to make very much difference whether that vote is considered today or considered with the question of basic pensions—and also the question of war veterans' allowance.

In order to get the whole background we have to go back to last fall when, as I understand it, and perhaps the chairman will correct me if I am wrong—these two great soldier organizations, the Canadian Legion and the National Council, made representations to the government as to what the changes they thought should be made in legislation of various kinds. As I read the reports of the representations each of these organizations pressed for an increase in the basic pension. For example, I have here the brief submitted by the Canadian Legion and their recommendation on the point read as follows: "That the basic 100 per cent pension for an unmarried veteran without dependents be increased from \$94 to \$125 a month, and all other pension awards by corresponding amounts."—that is by approximately 33½ per cent.

That recommendation was made to the minister last November or December. Also, I believe, the same recommendation or one which meant exactly the same was made by the National Council. Their's actually is dated December 20, 1950, and the Legion brief is dated the 10th of November.

The National Council recommendation is: "That the basic rate of war disability compensation (pension) for 100 per cent disability be increased from the present \$94 a month to \$125 per month."

So, last fall the minister knew exactly what these two organizations were recommending with regard to the basic pension. When he came before us on May 8th—the report of his statement is in volume 2 of the proceedings of the committee—he explained that this request had been made by the veterans organizations—namely for an increase in the basic pension. Then he went on to say that he and his officers had considered the whole picture and, much to my surprise, he made an argument on the basis that, because pensioners had been able to hold employment, and because they had become re-established to quite a large degree, therefore now the whole picture had altered and that the basis for the pension should be reconsidered. There should be a new approach to the whole question.

Mr. CROLL: What page is that?

Mr. GREEN: Members will find that his statement begins at page 22. I am not going to repeat what Dr. Lumsden read the other day, but if you start halfway down page 23 and read through to the end of the minister's statement you will find that he argued in that way.

He emphasizes need and hardship throughout, and incidentally, several members who spoke this morning did exactly the same thing—Mr. Richard,

Mr. Hosking, Mr. Goode, Mr. Stewart—and Mr. Mott the other day. All stressed that we must do something for the needy, for pensioners who were in need, for the hardship cases. Their thinking is running along that line.

Now, that was exactly the minister's approach to this problem—that something must be done for those pensioners who were suffering need. He then came to his proposal which, of course, is contained in item No. 650. The minister made it quite clear that this was an alternative to the proposal of the Legion and the National Council that there should be an increase in the basic pension. I do not believe that anyone of the committee can interpret the minister's statement in any other way than that he had worked out an alternative to a basic increase in these pensions. It was not a case of giving this vote this year and then increasing the basic pension next year. There was no suggestion of that kind at all. The minister went to great pains to say that this was an alternative to the suggestion of these great veterans' organizations that there should be an increase in the basic pension.

Incidentally, I would point out that the veterans' organizations did not ask for this new measure. You will find nothing in their briefs asking for this alternative measure which the minister has put forward in the form of vote 650. It is an alternative thought out in the minds of the minister and his departmental officials. It does not come from any of these responsible veterans' organizations in Canada.

Brigadier Melville said quite frankly the other day that this is a new principle in pensions. He can correct me if I am wrong but, as I wrote it down, he admitted quite frankly that this proposal was a new principle in regard to pensions in Canada.

The minister went very far in trying to justify the new scheme. For example, he argued that 90 per cent of pensioners were fully employed. Now, I cross-examined Brigadier Melville and General Burns about those figures the other day and it is perfectly obvious that such an estimate is based on very, very sketchy foundations. They have had 35,000, I think it was, who have applied for work—35,000 pensioners; and 3,500 of them were not placed. There is no record taken of the pensioners who have not been applying for work; there is no record of the pensioner who is employed on a very small job which pays him perhaps \$35, \$50, or \$75 a month—and certainly those men cannot be considered as fully employed. The minister's figure of 90 per cent fully employed, I submit to you, is entirely erroneous.

MR. HOSKING: Would you be disagreeing with Colonel Brooks when he said there would be 5,000 benefit from this?

MR. GREEN: My statement has nothing to do with how many would benefit—and I never disagree with the member from Royal.

Now, we have the minister coming and quite frankly making this entirely new proposal and attempting to justify it by arguments. He did not make any attempt to camouflage what he was doing—he was bringing in an alternative to an increase in the basic pension which had been asked by the Legion and the National Council in their interviews with him a few months earlier.

Now these organizations say to us, and say to us with the utmost sincerity, that a different course should be followed at the present time. I know that none of us will question the sincerity of the beliefs that are behind the statements made by representatives of those organizations. They say that the course which should be followed and can yet be followed is to increase the basic pension. They have asked for an increase of approximately 33½ per cent. That is the request by each of them. They made it abundantly clear that the main thing they wanted was an increase in the basic pension of 33½ per cent. Then they said: if you wish to amend the War Veterans Allowance Act after that—after you have increased the basic pension—to make some provision for additional coverage under War Veterans Allowance Act, then we are prepared to go along with you. They were

worried about the administrative detail, but they made it absolutely clear that the one thing they wanted was an increase in the basic pension.

Now, Mr. Chairman, you and I know that the main principle underlying the Canadian Pension Act, and all pension legislation in Canada, as distinct for example from war veterans' allowance legislation, has been that the pension is earned. It is not a handout; it is not something in the way of charity. It is a payment that has been earned by the veteran, by the veteran's service, and by the fact that on that service he suffered a disability. I suggest to you, and all members of this committee who of course are veterans, that the claim of the pensioner on Canada should be the first claim; a prior claim to that of anyone else in this country. I do not think you can name to me any group who have a right ahead of the right of the pensioner who suffered his disability while trying to preserve this country.

Then, our pension legislation has been on this basis: that the pension is to give the pensioner an even start with the civilians. In other words, for example, if he has a 100 per cent pension he gets that 100 per cent as of right to allow him to start in the race of civilian life even with the civilian. Then, when they start that race, the pensioner with his pension, the civilian without any payment, if the pensioner is able to get ahead of the civilian and earn more money than the civilian can—

Mr. BROOKS: More power to him.

Mr. GREEN: Yes, more power to him. We believe that is his privilege. If, in spite of his 100 per cent disability, and in some cases Brigadier Melville has said he may have an actual disability of 200 or 300 per cent but he cannot draw more than 100 per cent—he is able to go out into civilian life in Canada and earn \$10,000 or \$15,000 a year, then that is his right and we honour him and respect him for being able to do that.

Now, it is perfectly obvious to arrive at what the amount of the pension should be that you must have some standard. You cannot just say we will pay \$50 or \$150—you cannot just draw it down out of the clouds. You have to have some standard, and the standard which has been adopted down through the years has been that of the wages earned by common labour.

Mr. Hosking made some rather harsh criticisms for even mention of those words "common labour" today, but the position was that there had to be some basis or standard set. The standard set was that of the wages paid for common labouring work.

I quite agree with Mr. Cruickshank that it should have been based on the average income, but that was never adopted. Long before any of us came to the House it had been decided that the standard would be the wages paid for labouring work.

Then, there was another very important factor in connection with pensions and it was this: that the veterans' organizations went out deliberately to get these disabled men placed. Take for example the members of the War Amp's. Their whole purpose right from the time of their formation shortly after the first war has been to get their men employed; to try and encourage them to go out and work; to forget about their handicaps as much as possible. The government and the department have taken much the same attitude and I think there has been excellent work done by the members of the department—certainly in connection with second world war veterans—to get disabled men to work. One result has been that we have always found remarkable spirit among those men who have suffered disabilities. Throughout the picture there has been no emphasis placed on need, or relief, or handouts of any kind.

Just three years ago, in 1948, we had another Special Committee on Veterans Affairs. In fact that was the last committee before this one, and in that committee the whole argument was based on wages and the cost of living.

We had charts of every size, shape, and description. Some of the charts were not clear and others were brought in; we had statisticians running around here tearing their hair—a whole regiment of statisticians. As I say, the argument was then based on wages and the cost of living.

Mr. CROLL: And the fact that we had not increased pensions since 1925—do you remember that? Twenty-three years without an increase.

Mr. GREEN: In the end I think there was an increase granted of 25 per cent—that is where the increase finally settled. Before that the government had tried to get the committee to accept two smaller amounts and in each case the committee had refused to do so—until finally there was a settlement on an increase of 25 per cent. However, the point I am making is that in that committee the whole argument was based on the cost of living and wages and I suggest that it should be the test now. The Legion and the National Council are absolutely right in contending that we should deal with this question on the same basis at the present time.

By the way, at that time I think the final decision was that we estimated the cost of living was about 140.

Mr. CORRY: May I ask the honourable member a question. Do you believe that policy ought to be followed through in the future?

Mr. GREEN: Absolutely.

Mr. CORRY: In relation to the cost of living?

Mr. GREEN: It was not then tied definitely to the cost of living; it was based a little lower than the cost of living at that time.

Mr. BROOKS: Considerably lower.

Mr. CORRY: Do you think the principle ought to be adopted by this committee?

Mr. GREEN: I do not think there could be any quarrel with a principle of that type. You have got a standard based on certain types of wages and I think the standard should be the thing throughout. However, somebody said the other day—either the Legion or the National Council—if the cost of living were to go down and they were then asked for a reduction in pensions it should be deferred to the same extent; just as the increase was deferred behind the rising cost of living. In other words the pension was not put up to the full amount that would have been warranted if the cost of living index had been taken into consideration.

Mr. STEWART: Do you think they would ever reduce them—even five years later? Do you think any government would ever dare to do that?

Mr. GREEN: I will tell you what I think—I do not think the cost of living is going to go down. That is the position. I think it is going to go up.

Mr. STEWART: Even if the government should change.

Mr. GREEN: I think by the time the government changes so much harm will have been done that it will be almost impossible to get it down.

The CHAIRMAN: Perhaps I might suggest that we confine ourselves to evidence and not to fairy stories.

Mr. GREEN: Mr. Chairman, I did not start it.

The CHAIRMAN: But when we get into hypothetical things like a change in government that is wasting time.

Mr. GREEN: Do not be too sure.

To get back on a serious basis—

The CHAIRMAN: Hear, hear.

Mr. GREEN: Approaching this question from the point of view of whether

the pension is adequate now considering the present cost of living standards, I have only to quote a statement made by the minister in Montreal last Friday or Saturday. He is quoted saying as follows:

Speaking of recommendations made to the government for an increase in the basic rate of veterans' pensions, Mr. Lapointe said the argument is that the pension rate is no longer sufficiently high to meet the increased cost of living.

And then he is further quoted as saying:

I cannot dispute argument. It is a perfect one if—and I want to emphasize this if—pensioners in Canada were compelled to rely on their pensions for their living.

Now the minister himself has said there that the pension is inadequate, that the basic pension is inadequate if it is to be based at all on the cost of living and I know I need not go any further.

Everyone here knows that what the minister said there was correct.

This proposal of the legion and of the National Council is the recognized way to meet the situation.

As I pointed out this morning, it would meet the case of the men who were going to be helped by vote No. 650, and that there need be no more delay in getting that increase in basic pensions through than there would be in getting through vote No. 650.

Surely the duty of this committee is to consider these three factors, the proposed vote, the question of basic pensions and the war veterans allowance, and then make its recommendation. That is all we can do. Then if the government does not see fit to accept our recommendation, that will be its responsibility.

But our responsibility is to consider these three factors, to have all the arguments thrashed out, and then to make our recommendation to the House.

Instead of suggesting an increase in the basic pension, the minister brings forward this vote and we have been told by our chairman that we have either to accept the vote or to reject it; or I think he said we could vote to reduce it.

The CHAIRMAN: The rules of the House and the committee rules apply here. I did not invent them.

Mr. GREEN: But presumably not to increase it.

The CHAIRMAN: That is right.

Mr. GREEN: I think that shows clearly the need for getting new terms of reference as is suggested in the amendment moved by Mr. Brooks. This vote is based on need. There can be no other basis for this vote than the basis of need and hardship.

There are very severe tests contained in the vote. For example, the pensioner will have to prove, out in his district, that he is unemployable. He will have to prove that he is unemployable because of a disability for which he is drawing a pension. Both of those hurdles can be very difficult ones for him, depending entirely on the attitude of the men out in the district.

Then, if he gets over a certain amount of income, he cannot qualify. I believe that General Burns told us that if he gets a superannuation in the amount of, let us say, \$30 to \$35 a month, then he would not be able to qualify; and if he reaches the age of 70 and thereby becomes eligible for the old age pension, which is to be payable without means test, he can no longer qualify for this assistance.

Yet on the other hand it has been said that if he has got no matter how much in the way of assets, he can qualify. In other words, a millionaire, a man who may be a millionaire but who is not employable and can trace his unemployability to something having to do with his war disability, is entitled to draw \$40 a month if he is married, and \$20 a month if he is single.

That just shows the ridiculous feature of the proposal. I think what will happen will be this: That the pensioner will have to show, and to show very clearly, that he is pretty hard up or he won't get this supplement. I have no delusions about it not being a means test and a very strict means test in order to qualify for this allowance.

The CHAIRMAN: You must realize that you are just asserting an opinion. You are not offering anything to substantiate it.

Mr. GREEN: I am speaking from experience.

Mr. WHITE: The minister only expressed an opinion when he spoke.

Mr. GREEN: Another significant fact is that we have not been given these regulations as yet. In order to do this job the right way, we should have these regulations before us so that we can tell whether they are right or wrong. We were told the other day that they were not yet ready, but if they were prepared before the House rose, we might have them.

The CHAIRMAN: Could you give me the reference to that statement.

Mr. GREEN: You can dig it out yourself.

The CHAIRMAN: No. You tell me.

I do not think anyone has yet asked for the regulations. Someone asked if they were ready yet and I said they were in the course of preparation. I think we ought to have that straight for the record.

Mr. GREEN: I read it last night. I think it is in volume 2.

Mr. BLAIR: I remember asking who was going to administer it and how it was going to be administered.

The CHAIRMAN: That is clear; but the statement was made that we were told the regulations would not be available and I think that is incorrect.

I think I can help you, Mr. Green. Look at page 145 of volume 6, where I said:

The CHAIRMAN: . . . I took it that the deputy was indicating that was one of the matters that had to be decided in evolving regulations for this specific piece of legislation. I can assure those regulations are not yet completed; they will be completed, I think, in the usual method of trial under administration. They will be formulated, of course, to begin with, but your question was asked to deal with the war veterans' allowance, and when the deputy answered he was projecting his mind into what would probably have to be done with regard to the supplement."

Mr. GREEN: I have before me page 67 of volume 3 where I said:

Can the committee be given the regulations—under this vote?

The CHAIRMAN: The regulations are in the process of preparation. Whether or not they have reached a state of finality—they will be returnable to the House fifteen days after the next session—I believe it is fifteen days after the session. I cannot give you a firm answer to that, Mr. Green, but we will consider it when we come to it.

Mr. GREEN: If the regulations are adopted while the committee is sitting, can we be given a copy?

The CHAIRMAN: I will not answer that off-hand. I do not know what the procedure is. At the moment I see no objection but I would, frankly, have to seek advice. I find it a bit more onerous on this side of the table than on that side sometimes, and this is one of the cases.

The CHAIRMAN: My recollection is that I did not refuse you. As a matter of fact, there can be no form or code of regulations until there is something to regulate. We cannot anticipate what the final form of this item will be until it comes back from the House. But I would anticipate that it will be possible to indicate to the committee the general thinking of the department with respect to the regulations before the committee rises, because I would think that they would have a fair idea of what it is.

Mr. GREEN: I think it is of the utmost importance that we should know what the regulations are and be given an opportunity to make suggestions with regard to them.

The CHAIRMAN: I think at the time I said that was one of the purposes of this committee and that in the debate suggestions with respect to the regulation would be made.

Mr. GREEN: Then this new proposal means humiliation for the veterans. You cannot get away from the fact that if a pensioner is forced to go and apply for this pension and be cross-examined as to his unemployability and on his pensionable disabilities, that he will be humiliated, whereas today the pensioner in Canada stands rightly in a very proud position. This fact of morale, I think, is of a great importance.

Then we asked how many men were going to be helped by this vote. The answer was that approximately 6,000 would be helped out of the total of approximately 160,000 pensioners in Canada. There were two or three different figures given, but I think the final one was approximately 160,000.

The CHAIRMAN: That is correct.

Mr. GREEN: That means that only between three and four per cent of the pensioners in Canada would be helped by this new scheme, and that only one in five or six of the 35 per cent pensioners, single, and of the 45 per cent pensioners married will get this help. That is, only about one in five or six out of that small group.

The CHAIRMAN: That is in the first instance. The estimate was that 6,000 would be eligible to apply immediately.

Mr. GREEN: That is right. And then another factor is the insecurity of this measure. It is based on an annual vote of parliament. It is not to be an amendment to any statute, but merely an annual vote which need not be introduced again and which always means uncertainty and insecurity.

I believe that if this proposal goes through, it will put a ceiling on disability pensions in Canada for all time. Once this measure has been adopted, then anybody, any pensioner who comes along with a request for help and has any hardship situation financially, will be helped under this scheme, and in that way it would be used to take away pressure for an increase in the basic rate of pension. In my judgment the result will be to put a very effective ceiling on pensions, on disability pensions in Canada, no matter how high the cost of living may go.

You see, Mr. Chairman, we have had exactly that same result under the war veterans allowance here. We have had the War Veterans Allowance Act providing by statute for certain payments. And then some years ago there was a certain supplementary allowance brought in which involved a second means test. That supplementary allowance came in by way of an annual vote. It is still in the shape of an annual vote; and that a supplement has been the answer given to all requests since it was brought in, for an increase in the basic rate of the war veterans allowance.

So there you have it today, right over the war veterans allowance, a ceiling which is used to prevent any increase in the rate of the war veterans

allowance. And this measure which is before the committee today will bring about exactly the same result in pensions.

Furthermore, there will be no standard remaining upon which to set a pension. If this measure goes through, then your plan of tying in a pension with wages and with the cost of living goes completely by the board, and you have no further standard upon which to establish the basis of a pension.

Finally, the war veterans allowance is obviously involved in this whole problem. It could be amended to exclude the pension from consideration when the war veterans allowance is being granted. In other words, it could be provided in the War Veterans Act that a pension is not to be regarded as being income. Some such provision as that could be made. The war veterans allowance is legislation for hardship cases. The War Veterans Allowance Act, but not the Pension Act. The War Veterans Allowance Act was originally passed as a hardship measure. It was passed in 1930 to help out the veterans who could not qualify for a pension. It is not on the same level of priority at all as the pension because the pension is earned by actual disability traced to the war service, but the war veterans allowance is not; any one of us who saw service in a theater of war could qualify for the war veterans allowance if his financial circumstances warranted such an application.

Mr. GILLIS: For a 5 per cent pensioner without theatre of war service.

Mr. GREEN: Yes; and the point I am making is that the war veterans allowance is legislation designed to meet hardship.

Both of the veterans organizations have suggested that consideration should be given to the War Veterans Allowance Act. They ask for an increase in the basic rate of the war veterans allowance. They have also said that if there is to be any measure such as the one covered by this vote, it should be under the War Veterans Allowance Act.

We are making a great mistake when we confuse pensions with the war veterans allowance. Mr. Hosking made that mistake this morning when he lumped them altogether and said that because such and such a thing happened under the war veterans allowance therefore pensions were just the same.

But the two measures,—I am sure, Mr. Chairman, you will agree,—rest on completely different foundations.

It is very unlikely that there will be another veterans affairs committee of this parliament. We have gone three sessions now since the 1949 election without having one; and if history repeats itself, it is most unlikely that there will be another one. So that if this problem is not faced as a whole by the present committee, it is very unlikely to be faced by the present parliament.

Therefore I would urge once again that the members support this amendment. Let us, if we can, go back to the House with a recommendation for a widening of the reference. There will be no question at all of that recommendation being adopted by the House. And then we will be able to do the job thoroughly and make the recommendation which should be made to end the whole problem.

The CHAIRMAN: I think, gentlemen, that before we proceed any further I should give the Chairman of the Pension Commission an opportunity to say something in view of the fact that he was quoted, or at least purported to be quoted by something which Mr. Green said.

Mr. MELVILLE: I would just like to observe, Mr. Chairman, that Mr. Green's recollections of what I said are not correct.

Mr. GREEN: Then you can put us straight.

Mr. MELVILLE: I shall endeavour to do so. I think you said that I stated in my evidence that the unemployability supplement was a new principal intention.

Now, my remarks in that connection will be found on page 133 at the bottom of the page where I said:

Mr. MELVILLE: (Chairman of the Canadian Pension Commission) . . . this proposal of the unemployability supplement is very definitely new but it must be remembered, I should say, that we have come a long way since awards were first made for disability, in 1916.

I still contend that it is a new proposal. And quite definitely at no time have I said that it was related to pensions.

Mr. GREEN: I am quite satisfied with that. I think the words speak for themselves.

Mr. HERRIDGE: Mr. Chairman, I would like to say a few words in support of Mr. Brooks' amendment, but before doing so I want to apologize for coming in about 10 minutes late this morning. The fact is that the Sons of Freedom in my constituency have been acting rather like sons of devils during the last few days, so I had occasion to visit the Minister of Justice and I was detained.

Mr. CROLL: By the Minister of Justice? You were detained?

The CHAIRMAN: I may say that your presence was missed, and that you were welcomed when you returned.

Mr. HERRIDGE: No, Mr. Croll, I was detained for private reasons. I shall not repeat the excellent arguments which have been made by my colleagues, Messrs. Gillis, Quelch, Green, Pearkes and others. But I do want to offer a few reasons why I support Mr. Brooks' amendment. I support it because I believe that it introduces for the first time a new principle in Canada in connection with assisting veterans who suffer disability from pensions. I think there is no question about that, whether or not we say it is associated with the Pension Act.

I have stated on the public platform that I did not believe any government in Canada would dare interfere with the principle established in the Pension Act with respect to the compensation of pensioners. I think that was generally accepted and understood throughout the country. Now, some of the members in opposing this amendment have suggested that it is not an alternative proposal. I definitely think that it is and for this reason: The legion made representations to the cabinet with respect to an increase in basic pensions of 33½ per cent. Also, the National Council of Veterans made representations urging an increase have I said that it was related to pensions.

I think it is obvious to anyone that this estimate we have had placed before the committee is the government's alternative to the proposals of the Legion and the National Council of Veterans. Therefore I think it is quite correct to say that it is an alternative proposal to an increase in the basic rate of pensions. I think there is no question about that having regard to the whole procedure and the course of events. I am opposed, but nevertheless I am supporting this amendment. I believe this present estimate, while it has been termed a needs test, is worse than a means test.

I would refer to the remarks of my colleague, Mr. Gillis, when he said that in his opinion it was worse than a means test because it contains other factors which are not found in the normal means test. For example, it contains a medical test. A man has to be able—a pensioner has to prove, in order to qualify for this allowance, what income he has; he has to meet the welfare officer and prove to him that he is unemployable, or that employment is not available.

The CHAIRMAN: You mean the Department of Veterans Affairs.

Mr. HERRIDGE: Yes, the veteran would have to establish that he made application for employment at an unemployment office and so on. And in addition there is the financial test. I asked the deputy minister if a veteran who had \$1 million in the bank, who was disabled and was unemployable who was able to apply for this allowance, would qualify? And if you read the

deputy minister's answer, obviously he could. And in the same question I asked if a veteran who was in receipt of, let us say, \$35 from the government or from an industry could qualify, and obviously from the deputy minister's answer he could not.

There is a financial test. They have to ask the veteran: What income have you got? in order to ascertain whether he draws a pension from industry or a superannuation allowance from some federal or provincial government. I believe this is worse than the ordinary means test.

In addition to that, Mr. Chairman, do we realize this: That in any dealing with this question we treat disabled veterans of this country in an entirely different way than we would treat civilian casualties in industry. Can anyone say that Workmen's Compensation Act payments in Canada do other than to reward the pensioner on the basis of his disability? The question of increasing workmen's compensation payments in Canada on a percentage of wages paid has come up on several occasions. The point of view expressed is that the Workmen's Compensation should be increased by a percentage of the wages paid or the amount of compensation paid because of the increased cost of living.

I am referring to pensions as they were before the wages got as high as they are at the present time.

In every case consideration should be given to the question on the basis of increasing the percentage, not on the basis of sending an investigator around to see if they needed it.

We have a large number of civilian casualties in this country with a very high rate of disability, 50 per cent disability under the Workmen's Compensation Act. I know a number of those men who are employed in peace-time jobs and they are suffering from injury and from severe handicaps. But no Workmen's Compensation Act in Canada has ever attempted or suggested increasing the workmen's compensation allowance to any civilian casualty by making an inquiry as to his need.

In this estimate, Mr. Chairman, we are doing exactly that. We are treating the war disabled in this country in a more unfavourable way than the other civilian casualties of Canada are being treated by various provincial governments at this time.

Now, Mr. Chairman, Mr. Green mentioned the fact that we have not got the regulations before the committee.

In addition to our general objection to the principle, we are being asked to vote a certain sum of money which is to be applied in some way, yet we are not told what the regulations are under which that money will be applied. I think that is most unsound, and for that reason I have no hesitation in supporting Mr. Brooks' amendment.

My first reason is: this new scheme is in complete opposition to the Canadian conception of how Canadian war casualties shall be compensated.

Now I should like to quote from page 13 of the Legion's brief as follows:

So far we have based our objections to the proposed legislation on the ground (a) it discards the basic norms which have been fundamental to the Canadian pension system; (b) that it introduces the principle of need into the pension problem and (c) that it is an alien system foreign to the Canadian tradition, a retrograde step under heavy attack in countries where it is involved. But in addition to these we would also point out that even from the point of view of need it is inadequate.

I think that the legion is very sound in making that criticism and I support it.

Then again, the National Council of veterans had this to say in their brief and I shall quote from page 111 of volume No. 5 of the proceedings of this

committee, where Colonel, the Reverend S. E. Lambert, President of War Amputations of Canada had this to say:

I came with mixed feelings today. It is always left to me to sort of make a passionate appeal on their behalf but I have long tried to come here to talk to people who are supposed to be able to do the things that are necessary and when we come we find you are so restricted in your thinking that is useless for us to say anything about it. You bring in this supplementary allowance; it is not a bill but it is some kind of an estimate, and we consider this as another contribution to the poverty of the veterans, I would say, and we do not like that.

That is an expression of opinion by a representative of the National Council of Veterans speaking before this committee with respect to this estimate and I think that it sums up very clearly the attitude of the united veterans of this country with respect to this new proposal.

In addition, this morning my colleague gave what I considered to be a very sound argument. The Auditor General of this country has repeatedly made complaints that we are legislating by estimate. As Mr. Green said this is as you know a thing that creates a feeling of instability and insecurity. The Auditor General objects to this form of legislation and has objected repeatedly that it is something not found in good legislation or good government. I think it is most unsound and I have no hesitation in saying that if the Canadian public were well informed as to what is in this amendment and what this government proposes—to depart from the established Canadian traditions in respect of war disablements—a great majority of the Canadian people would support whole-heartedly the stand of the great veterans organizations in this country.

In conclusion I understand that to grant a $33\frac{1}{3}$ per cent increase in the basic pension would cost about \$22 million. I think I am correct in that—\$22 million as opposed to a total budget of \$3,700 odd million. This government is now proposing, in the Post Office Bill before the House, to save \$12 million by increasing the rate on newspapers. I am all for saving \$12 million by increasing the rate of postage on newspapers and using it and another piddling \$10 million to make the \$22 million—and giving the veterans of this country what they are entitled to under Canadian law, and what Canadians expect them to have.

Mr. BLAIR: I remember very well when the matter of basic pensions came up before this committee in 1948 that there was considerable argument about it—so much so that in this room we had graphs all the way around the walls and we called in people from the Department of Statistics. I also remember that when this matter was under debate that there were many members of this committee who said they thought the increase should be 33 per cent. The government first brought in a bill suggesting 16 per cent.

Mr. HARKNESS: 10 per cent.

Mr. BLAIR: It got up to 16 per cent. I also remember a morning in the committee when the attitude developed that there was not a tendency on the part of certain members to present the bill to the government. I suggested myself, one morning, when that same situation was present in the committee, that the government had already made up their minds. I remember the Honourable Mr. Gregg saying emphatically that he disliked the suggestion.

That brings me to something that was made mention of by Mr. Croll regarding the old Veterans Affairs Committee. There was a certain amount of pride in that committee about it. We were proud that when matters came up there were no party lines or party divisions or any feeling that the government must be supported by the members of the government. I was proud to say outside of this committee on the occasions when I was talking to Legion people, that the

Veterans Affairs Committee represented veterans and politics entered it only on very rare occasions. Whatever the Veterans Committee suggested to the House was accepted by the House and there was no debate on it when it came to the House.

I have listened to these proceedings with a great deal of interest, and in fact I have been wondering before this bill came in when we were going to do something for pensioners in view of the still mounting cost of living. When this bill came in I was very interested because I was disturbed about the question of their unemployability. I still warn the committee that this is going to be a very difficult thing to administer. You are going to have an awful lot of trouble when you tie it up this way, although you eliminate the word "major" and yet the disability must be a contributing factor. You are going to have to deal with a lot of veterans of the first war who are also afflicted with something like a disease—that is something called age. When you try to tie a disability up with a veteran who is approaching an elderly age you have got a great deal of trouble, apart from any connection with means tests or his financial status. So, today, I am interested in this problem and I have tried to approach it with a clear mind apart from any other consideration.

I wonder, in view of the old committee, why this piece of legislation is brought in to include only 6,000 out of 162,000 pensioners. I think those figures are correct. I wonder what you are going to do—as I wondered before this was introduced in the House—what the committee and what the government is going to do with these other pensioners who are hit by the cost of living index standing at 181·2. I am going to support the amendment and I am glad to support anything that will help veterans at any time, I feel keenly about the view and the attitude of the old committee, and the fact that the deliberations of the old committee were accepted in the House. There was no debate. They said: let the veterans settle their affairs; they are aware of what is happening; they have met with the organizations. The members of the House offered no debate. If there was anything to be settled it was settled in this committee and when it came into the House there was no debate. The representatives of various parties probably said a few words—that their party was willing to accept this or that or anything that was done here.

So, Mr. Chairman, apart from supporting this amendment, I would make an appeal and say that the Canadian Legion and the National Council of Veterans representing 350,000 veterans—you have them all included in those two bodies—are not pleased with this legislation; and I do not think that this committee, apart from any other considerations, should try to force through something that the veterans of Canada are protesting for various reasons. There is something wrong—something wrong when the veterans of Canada do not approve of this legislation. I do not feel I would like to be a member of the committee dealing with only 5 per cent of them. Only 5 per cent of 162,000 veterans are affected by the present proposal, but all of them are affected by the present high cost of living, and have their troubles in getting along in the world. I do not feel that this covers the situation. I think we should go further, and I do not think there would be a great deal of trouble in tying this up with the cost of living in some way. It does not matter very much, as far as I am concerned, what you do, but the great and pressing need is that something should be done for these disabled veterans—veterans receiving higher pension rates and who are having a great deal of trouble at the present time. It may be your thought that time may solve the cost of living problem, but it has not solved it yet and these people are suffering.

For these reasons, I am going to support the amendment.

Mr. HARKNESS: Mr. Chairman, I do not intend to take up the time of the committee by repeating many of the excellent arguments which have been made in support of the motion moved by Mr. Brooks. However, there are one or two comments I would like to make.

First of all, statements and observations made by some members of the committee indicate to me that there is a certain amount of misapprehension or misinterpretation of the views which were expressed by the dominion council when they were before us. The dominion council made it quite clear—and I reread their evidence in view of some of the statements that have been made. They made it quite clear they support the Legion completely in their opposition to this unemployability grant in the form in which it has been brought in. The only short statement in connection with it is found at page 106 of the evidence given by Major Wickens in which he said: "We support, gentlemen, as I have told you, the Canadian Legion protests about the unemployability grant—not entirely for the reasons expressed by the Canadian Legion in their brief".

Mr. STEWART: Does he not say also that they have certain differences with them on this very grant?

Mr. HARKNESS: He said—"not entirely for the reasons expressed by the Canadian Legion in their brief." The dominion council representatives never went back from that position; they continued to maintain that position throughout. There was a considerable amount of discussion over the elaboration of the last part of the statement—"not entirely for the reasons expressed by the Legion in their brief." I think it is due to that fact that some misapprehensions have arisen as to what the position of the dominion council is. They never went back on this short statement I have read, however, and that leaves us in the position that all of the veterans organizations which appeared before us are united in their opposition to this proposed unemployability grant, tied to the Pension Act as we have it before us.

In view of the fact that these veterans' organizations have expressed this strong disapproval, I think, as Mr. Gillis said this morning, that it would be very unwise just to go ahead and push it through and say: take it or leave it. It seemed to me that we would be very much wiser to adopt the amendment moved by Mr. Brooks, asking to have our powers widened, and to try and get this help in a form which would be much more palatable to the veterans across the country.

Mr. Stewart said that he had no representations from the Legion locals in his constituency and he did not know whether they supported this or not. Well, I have here a telegram from the Calgary No. 1 branch of the Canadian Legion which was, and I think still is, the largest branch of the Canadian Legion in Canada with some 6,000 or 7,000 members. I would just like to read that as an indication of what their attitude is in connection with this matter:

We of the Calgary, Alberta, No. 1 branch of the Canadian Legion strongly protest any means test being applied to pensions stop any increases must also be across the board stop we are definitely disturbed at no increases in war veterans' allowance whom we feel are more entitled stop we anticipate your support of the dominion command proposal to the limit stop

J. Allen President.

Now I have not a large number of Legion branches in my constituency because we follow a somewhat different system there and we have one large branch. The other branches are Imperial branches and so forth. However, this is just an indication of what that largest branch of the Legion in Canada thinks of the matter.

Now I think there is no question but that putting this unemployability grant through in this form is going to cause a great deal of difficulty as far as veterans are concerned. They are going to be disappointed with it and I think it would be definitely unwise. Almost the only argument which has been advanced against Mr. Brooks' amendment is fear which was expressed on the part of several members of the committee that the adoption of it would

delay help to certain unemployed pensioners. That argument was quite effectively dealt with by Mr. White when he pointed out it would be quite easy to pass this amendment, refer it to the House, and at the next meeting we could begin with the increased terms of reference. That fear, therefore, is quite unjustified; there is nothing in that argument.

On the other hand, adoption of this motion would point the way, as far as the committee is concerned, and as far as the government is concerned if they acted on the recommendations which we might make—to a settlement of this whole matter in a way that would pretty well satisfy everyone. The way to settlement of this matter to the satisfaction of the veterans, and I would think to the satisfaction of everyone in this room, was pointed to in the representations made by the dominion council. In the same statement on page 106 Major Wickens said this:

The practical way to deal with the matter would be to take these good things that are desirable in this scheme—that is the unemployability scheme—and engraft them upon the War Veterans Allowance scheme and let us have one scheme of war veterans' allowances throughout in which the test of eligibility will be the same. I am speaking of what is known generally as the means test.

Now, I do not think there are any real obstacles to that being done. I think if this were passed and the terms of reference enlarged there could be very readily worked out a scheme by which the benefits projected in this unemployability supplement could instead be tacked on the Pension Act and the general pension scheme for disabilities in this country—instead of it being tacked on to what is the War Veterans Allowance Act.

The people who many members of this committee have said so essentially require help—the disabled veterans who are unemployed—could be helped that way just as well as they can be by the present proposal which we have before us and which has met with so much objection.

The dominion council recommended that manner of dealing with the situation. You will perhaps remember I questioned Dr. Lumsden in connection with the suggestion and asked what the attitude of the Legion would be. He said that of course he could not speak for the Legion not having discussed the matter, but he indicated that he personally thought it would be acceptable to the Legion. I think there is this compromise way out; certainly a means by which this can be dealt with and get away from the hard feelings which would be left among veterans if you forced through the present scheme.

Therefore, I would very strongly urge that Mr. Brooks' amendment be passed and that we set to work on a scheme by which the unemployability benefits envisaged here can be engrafted upon the War Veterans Allowance Act.

Mr. CRUICKSHANK: First of all may I say that I think every member of this committee is just as interested in veterans as I am. Probably some of them have more ability in expressing the veterans' view. I am only sorry that the suggestion has been made that politics have entered into it. If there is anything that we should discuss in parliament which should be on a non-partisan level, it is something in connection with veterans.

I know that some people are going to say: George is speaking for the benefit of the veterans in his riding. Possibly they will say that he is speaking because he hopes to continue to get the majority of the veterans' support. Well, I cannot help it if people say that, but I think if they had the right view it would not be said at all. However, if there is one thing which we should look at from a non-political view, during the entire length of parliament and the session, it is the matter of veterans' pensions. We must remember that it is not only direct pensions to the veteran but it is a matter of pensions to veterans' dependents.

I will clear up the money matter at the start. It is going to cost \$22 million to provide the increase suggested—\$22 million when we are going to throw down millions and millions of dollars. \$22 million does not enter the picture as far as I am concerned; and I am going to say further that it does not enter the picture as far as any individual in the Fraser Valley riding is concerned—whether he is a veteran or not. I honestly believe what I am saying—that I am not merely speaking for the veterans in my riding but I am speaking for all the political faces, and all the religious faces and so on in my riding. We are prepared to make any sacrifice that is necessary to see that veterans and their dependents are properly cared for. Money is the last consideration as far as we are concerned.

I would like to put on the record the copy of a telegram which I presume that every British Columbia member received from the provincial Legion convention. It expresses the views of the various locals—and I might say in my particular riding I have six locals. Some of you are perhaps not familiar with the Fraser Valley but I will take Chilliwack alone. Some of you have been there and know that Chilliwack is not very large—about 5,000. We have 1,500 paid up members in Chilliwack. We have a building worth several hundred thousand dollars. I am not boosting the value of the buildings but I am trying to impress upon the committee the seriousness of the situation for veterans in the Fraser Valley.

This wire from the provincial command represents the views of the six locals in my riding and all of the other branches in the province. It is dated May 21st from Penticton.

The British Columbia command of the BESL in convention assembled at Penticton B.C. this twenty first day of May AD 1951 do hereby unanimously endorse the submissions made by our dominion command to the special parliamentary committee of veterans affairs on the seventeenth day of May AD 1951 and demand that the dominion government immediately extend the terms of reference of the special committee to allow it to consider all matters relating to the welfare of veterans taken up in the said submissions including an immediate across the board increase of the basic rates of pensions payable under the Pension Act, to veterans and their dependents, and allowances payable under the War Veterans Allowance Act commensurate with the increase in the cost of living.

This convention also condemns the proposed procedure covering supplementary grants to disability pensioners as being foreign to the established and accepted principles of awarding disability pensions in that such legislation neglects the need of words 85 per cent of those receiving disability pensions and the needs of those receiving aid by such proposed legislation would be more adequately and properly met by the Legion requested across the board increase on basic rates.

David McKee, Executive Secretary,
B.C. Provincial Command, Canadian Legion

That is the stand of all of the Legion branches within the province.

Now here is an editorial from one of the newspapers. I am not going to read the whole editorial but all I shall read is part of it to show you the feeling of the people of British Columbia—whether they are returned men or not. This is an editorial from the Vancouver Sun edition of Friday May 18, 1951. It is headed:

Don't begrudge the veterans.

The Canadian Legion has opened a new attack against government policy on war pensions. It should have deepest public sympathy and support. Canada's approach to the subject of pensions is neither humane nor up to date. The Veterans Affairs Committee of the House of Commons must demand a modern, warm-blooded basis for granting pensions.

Now here is a point that I mentioned the other day in connection with settling the basic rate.

"At the time of the first world war the government, seeking a compensation formula to use for wounds or illness pensions, appears to have decided that the average earnings of a labourer in eastern Canada would do as a standard. Apart from minor increases granted in fairly recent years, the same standard is 'enjoyed' in 1951."

"As bad as this is, widows' pensions, childrens' allowances, and 'burned out' pensioners allowances are keyed to that standard."

I shall just read one line further:

It is time it was scrapped.

I do not want to take up any more time to read the whole editorial. I may be wrong in my parliamentary procedure. I do not know. I may be contradicting myself. But I intend to support the \$2 million for this reason. I believe that one half a loaf is better than none. If I am contradicting myself, I would much prefer that Mr. Brooks' resolution came in at a later date. But under the circumstances I am in this position: It is my sincere belief that something must be done to assist the veterans, so I have to support Mr. Brooks' amendment. It may sound contradictory.

The reason why I support the \$2 million is, as I have said, that one half a loaf is better than none, and I believe it will assist these men who are badly in need of assistance. I do not think we can work out a basic rate over night. I took the trouble last night to find out what the increase would be to a disability pensioner receiving 45 per cent pension, either married or single; and in both cases I found that it was a 35 per cent increase across the board and that the recipient would receive less than he would under the unemployment settlement vote.

I would not want to be placed in a position where I am voting to approve that for the recipient of a 45 per cent pension. That is all that he will secure under this \$2 million grant. I hope you are following my argument.

Mr. GILLIS: We are away ahead of you.

Mr. CRUICKSHANK: I had my secretary make a count word by word of the time occupied in this committee by each individual member since it started. I find that I am entitled to a little more time yet, and if anybody would like to look at the schedule, I would be glad to give it to him.

The CHAIRMAN: I don't think anyone would question it.

Mr. CRUICKSHANK: Another thing is this: As I say, I am ready to support this \$2 million, but I do want the terms of reference referred back.

In fact, on the very first page of the proceedings of very first day of this committee I said that if nobody else moved, I would move that the order of reference be widened.

I am not exactly familiar with the procedure. The only thing I am afraid of is that Mr. Brooks' motion would have been better if held off to a later date. I am afraid of this: Suppose the government should say: No, we will not accept this. They may say: We will not accept this. Are we going to hurt the very individuals we want to help most, those who are in the greatest need? And another angle of it is this: Supposing, and I am only supposing—and incidentally I do want this to go on the record—I have heard suggestions that I—in fact, I think Mr. Harkness said that I did not like being pushed. Let me say that no member of the party to which I belong, and that includes the chairman, has endeavoured to use any influence on me, and neither have I tried to use any influence on them.

Mr. HARKNESS: I did not infer anything like that.

The CHAIRMAN: It is my understanding that you did not Mr. Harkness and I do appreciate the remarks from Mr. Cruickshank.

Mr. CRUICKSHANK: I am not worried about that point. I think Mr. Brooks' motion would have been better, possibly, if it had taken up one amendment at a time because, let us say the government rejects it. Naturally I do not need to say that I can hardly speak as a spokesman for the government. But let us suppose the government rejects one part of that amendment.

What I am afraid of is that we would kill the very prize we are after. But if it had been timed a little better, we might have taken the proposed increase across the board.

My understanding this morning was that there is legislation now before us which will enable us to discuss it. That is my understanding.

If the amendment had been timed better, we could still, as we see it, have discussed the across the board increase, and we would also have had an opportunity to discuss the war veterans allowance.

But let us presume for the sake of argument that the government rejects one or the other. What I am afraid of is that we are turning the whole thing out.

I did not know until today how much; I thought that this unemployability supplementary benefit would come in the cheques of the recipients in July or August. I learn now that the regulations are not even to be tabled until fifteen days after the start of the next session.

The CHAIRMAN: As I have said before, we discussed whether they would be ready while this committee was sitting. I said they would probably be worked out in experience, and that the final form of them, when it was completed, would be tabled within fifteen days of the opening of the next session. I did not suggest that the department would not know before then what they were going to do.

Mr. CRUICKSHANK: I am corrected in that. But I thought they would be brought out quicker. However, the deputy minister said that no extra help would be required, and that this work would be carried on by the present employees they have in some departments. I was under the impression that Dr. Blair said in that connection that his fear was over the \$2 million, with the delay which is going to come, even with the major factors written out.

We are not all living in big cities such as Ottawa, Toronto and Vancouver. A lot of these people have to live in little out-of-the-way districts where there would be no possible opportunity of getting an elevator job, for example. But the recipient must show that he is physically unemployable in part due to his war disability.

I am not speaking with any disrespect to the officials concerned at all. I think that on the whole we have very efficient men in the D.V.A. department throughout the country, including my own district.

I intend to vote for \$2 million after supporting the amendment. I have got to use my own judgment on it. I hope I shall not be hurting the veterans in my district in doing so. I want to be quite fair about it, and I want my own branch of the legion to know. I may be hurting them, and I may be hurting people who are most directly concerned by throwing it out.

I do not know. If there is somebody here who is better versed than I am in parliamentary procedure, I wish he would tell me. But I do not know if this matter of asking for an increase in the order of reference is going to go to the floor of the House, or if we are going to have a dog-fight on the floor of the House as to whether this order of reference is going to be increased.

I shall be quite frank about it and put it to you another way. I am going to vote for Mr. Brooks' amendment. But if the question comes up on the floor of the House—I do not care who knows it—I am going to vote against the government on a straight vote of want of confidence. I am quite frank about it.

I do not want anybody saying to me: "Cruikshank, you voted here for the amendment asking for a widening of the order of reference. But when the matter came to the House, you would not vote for it."

I think that any fair minded veteran will appreciate the position of some of us in that connection.

I do not think that my colleagues are going to vote against the government on this or any other issue on a straight vote of want of confidence. I do not think that veterans would expect us to do so.

I do not claim to have any more consideration for veterans than other members of this committee; and so far as I am concerned, the \$22 million does not enter into the picture at all. So I say, not only as an individual, and not only on behalf of the legion in my riding, but with every confidence and on behalf of every individual within my riding, that I do not consider the \$22 million to be too large and too excessive an amount to vote in some way or other in order to try—and all we can do is to try—to assist those who gave so much to those who gave so little.

The CHAIRMAN: Gentlemen, I rise at this time to remind you that the discussion has covered the field fairly completely, and to say that I have been more than a little impressed by the dignity and the seriousness of the discussion we have had today.

I do not want to make any attempt to shut off further discussion, but over and over again we have indicated the urgency of getting on with what we are doing. We have established the practice of holding two meetings a day on each sitting day. Consequently, if there is to be no further discussion—

Mr. QUELCH: Mr. Chairman, I have a few words to add. I quite appreciate that some members this morning did feel a little impatient about getting on with this measure. They felt we would be holding back this amount of money from the veterans if we did not get it through.

But on the other hand, if the objective of every member of this committee is to try to get an increase in basic pensions for the veterans, then it is well to remember sometimes you can make more progress by going more slowly.

I would not suggest that the opposition members are the only ones who want to get an increase in the basic pension. Therefore I say that in order to accomplish it, it may be possible to make greater progress by giving it greater consideration.

Our group has received many telegrams, as have other members, from the Calgary branch of the Canadian Legion, urging that we apply for a widening of the terms of reference in order that we may deal with urgent veterans' problems, such as the question of the War Veterans Allowance and an increase in the basic pension.

Now, during former sittings of the committee, the member for Burnaby, Mr. Goode, suggested to the representatives of the legion that we had \$2 million to spend and that is all we had to spend, and would they not favour spending it for this purpose?

I do not think that was a fair question. Of course, I do not think that is the situation. I do not think that is the situation which governs this committee, namely that \$2 million is all the money we can have for this purpose.

Perhaps I have more confidence in the government than does the member for Burnaby. But I think that has not been the attitude of the government in the past.

The government has made a proposal to this committee, and it has been said that the proposal was not adequate. But the government has on several occasions reconsidered its position and made a better proposal. And in view of the fact that special reference has been made to what happened in 1948 and in view of the fact that the chairman took exception to the words attributed to the

minister recorded on page 156 of the proceedings on Tuesday, April 13, 1948, I will quote what the Hon. Mr. Gregg said as follows:

Regarding disability pensions, the government cannot see its way clear at this session of parliament to go further than their present proposal, which is now before you. This proposal represents an increase in the basic scale of pensions paid to disability pensioners and to pensioned widows of 16 per cent and to the children of widows and wives and children of disability pensioners of 20 per cent.

The proposal which had been made before that was for an increase of \$10. Then the minister came back and said they were prepared to increase it to \$16.

After the minister made that statement several members expressed the opinion that the government had stated that that was all they were prepared to do and therefore it would be wasting time for the committee to discuss it further, and that we should take a vote and be done with it.

But some of the members did not agree with that thought at the time. They felt that any proposal of the government should not be made on a basis of take it or leave it.

And then, at page 160, I said:

Mr. QUELCH: Mr. Chairman, I do not think that this committee should be muzzled by an announcement as to what the government are prepared to do or are not prepared to do, because even governments change their minds; and I remember in the past sometimes we have been given to understand that the government was willing to go only so far and then later on they have been prepared to go further.

And finally, on page 165, I said this:

Mr. QUELCH: . . . So far all the evidence which we have had from the veterans organizations and from the departmental officials of the government substantiate a demand for an increase of more than 16 per cent. Therefore, at this time I am not in favour of taking a vote. I think before we call for a vote it is the responsibility of the government to bring witnesses before this committee to substantiate their own increase of 16 per cent. Let them bring witnesses before this committee to say that an increase of 16 per cent is a fair increase. If that cannot be done by the government I would say that this committee should unquestionably support an increase of more than 16 per cent.

What happened after that was that we spent many meetings discussing in detail the cost of living and the wage level. As some members have pointed out, we had graphs pinned to the walls showing the increase in the cost of living, increases in the price index, and so on.

I think the same argument applies today, and that there is plenty of evidence to show that just as a further increase in pensions was warranted in 1948, so it is today.

After additional information had been brought before the committee in 1948 by departmental officials, it became quite evident that a further increase was warranted. Consequently the government changed their proposal for a 16 per cent increase to a 25 per cent increase.

I presume that this committee is prepared to give the same thought, the same time, and the same consideration to this question as did the committee of 1948. And if we did so, the government would undoubtedly be prepared to bring down additional legislation to increase the basic pension.

I do not think it is a question of take it or leave it. But on the other hand, if we pass this item without considering the question of an increase in the basic pension, I doubt if the government would then bring down legislation to increase the basic pension. I feel they would consider that the matter was largely closed.

Again, if the government did not think it wise to bring about an increase in the basic pension, they would probably consider it necessary to revise the proposal which is before us at the present time. This question which is before us, that is, the allowance for increasing pensions is based upon unemployability and I think it should be considered at the same time as the increase in the basic pension, if it is the intention of the government to make an increase in pensions.

Of course, if the government is not going to do it, that is a different thing. But several members have suggested that after we have passed this estimate, we can take up the question of increasing the basic pension.

I should imagine that from the government's point of view if that is going to be done, it should be considered in conjunction with the estimate now before us. I think there would have to be changes made in this proposal if an increase in the basic pension was allowed.

Therefore, Mr. Chairman, I strongly support the proposal by Mr. Brooks that we seek to get an extension of the terms of reference so that we can deal with the question of an actual increase in the basic pension and also with the question of the war veterans allowance, because I think the war veterans allowance actually is the most urgent veterans problem today.

When you consider the deplorable condition of many veterans today, trying to live on a war veterans allowance of around \$30 or \$40 a month, and when you consider the present high cost of living, I am sure that you will agree that the veteran is experiencing tremendous difficulty in trying to make ends meet.

We have made a number of very fine declarations in regard to international affairs, the United Nations and the F.A.O., and how we want to help to raise the standard of living of people all over the world. So I think we should begin to do that at home so the veteran living on war veterans allowance will not have to subsist on the pitiful amount of money he now gets and may have a chance to live in a state of decency.

Mr. STEWART: Mr. Chairman, I think there is a great deal in what Mr. Cruickshank said in connection with this matter but if we pass this amendment, we will in fact kill the \$2 million vote. We will be killing it, and a great many of those who argued for the amendment will have to agree that if the whole matter is thrown back, we will never, at this session, deal with the whole matter of pensions.

Mr. GREEN: We did not say any such thing.

Mr. STEWART: We would never, at this session of the House, get to the whole matter of a general increase of pensions, or get an increase passed at this session of the House.

There is also the probability as I understand it that there may be a special session this fall at which matters such as this can be brought up by resolution or otherwise in the House. Then, if that is done, this committee could sit again. Personally, I would be in favour of this committee sitting again.

The next point is this: This matter has been brought up here for the first time since I have been in the House, or in a committee such as this. As I have said, the branch of the Legion in my riding has not communicated with me at all. There are corridor rumours that we may have a special session this fall and are very likely to. And in connection with that, if we hold one this fall, and we pass this \$2 million now and get it through, then by the time fall comes and we return, we will have before us the regulations, and will know what they are going to do with it in a practical way in the branches in our ridings.

I do not know whether or not a special session will be called. Personally, I have a great deal of sympathy with what has been stated today by Mr. Cruickshank. But I feel that we should pass the \$2 million at this time so that the people who need it will get it. Then later on, I am in favour of further concessions if anything is done in connection with pensions generally. But if we are going to tie it to the cost of living and that sort of thing, that may

change; and I am certain that the average veteran in my riding would not be in favour of this being tied up with the cost of living. So I am going to vote against the amendment and I am going to support the original motion.

Mr. GILLIS: Mr. Chairman, would you kindly make a ruling on that matter?

The CHAIRMAN: On what matter?

Mr. GILLIS: On this matter: The hon. member said that if we voted for the amendment we would kill the \$2 million.

The CHAIRMAN: Mr. Gillis, you know perfectly well that I cannot rule on a matter of a member's opinion.

Mr. GILLIS: That is quite true.

The CHAIRMAN: I stated in the committee the other day when a suggestion was made by a witness that this was an alternative, that I thought it was a preposterous or an outrageous supposition. That was my personal opinion, and was not a ruling from the chair.

Mr. GILLIS: Colonel Brooks' motion is to the effect that the vote be not reported now, but that it remain in this committee to be considered later?

The CHAIRMAN: That is right.

Mr. GILLIS: And that we should ask for new terms of reference; but if we do not get new terms of reference, we can discuss it and we can pass it if we so desire?

Mr. GOODE: Mr. Chairman, might I ask a question: How long do you think it would take the House, even if we should get amended terms of reference? How long do you think the debate would last?

Mr. GILLIS: I would have no hesitation in saying that if the committee decided that it wanted new terms of reference and did not want a discussion of it in the House, we would be able to get it through.

Mr. GOODE: Could you stop discussion of it?

Mr. GILLIS: Yes, we could and if you want to go to your party caucus and make it clear that no discussion was required, you would have no discussion. That has been done a good many times. The effect of Colonel Brooks' motion does not affect this particular vote that we were discussing originally.

Mr. CRUICKSHANK: I remember one committee when it occurred, and it was agreed that one member from each party would speak to the question. I do not want to be harsh in this, because in fact I am telling the truth. It was suggested that one member from each party would get up and say a few words in support of the thing. But there were a lot of members who wanted to get on Hansard, and therefore there was a whole lot of discussion.

Mr. BROOKS: I might say that Mr. Cruickshank was referring to 1946, when there were a good many bills. I happened to be the chairman of our committee, and I know we did make arrangements with the chairman of the other committee, and it was observed in every case except that one that Mr. Cruickshank referred to.

I am satisfied that if it came before the House, arrangements could be made with the different parties so that one speaker could speak for a little while, and the thing would go through in a very short time. That has been our arrangement in the past and it could be done again.

The CHAIRMAN: The point of insistence is upon urgency. There are two votes before the committee, first, the amendment of Mr. Brooks which is whether or not we shall appeal for extended terms of reference.

When that has been disposed of, there is nothing to prevent this committee from discussing the original motion for the rest of the session here in this committee. In view of the urgency which has been put forward all the afternoon, I rose once or twice in an attempt to decide this matter.

The second question is the approval or otherwise of the items which remain to be settled, and they won't be settled this afternoon.

Mr. LENNARD: It is now four minutes to six, Mr. Chairman.

Mr. THOMAS: Mr. Chairman, Mr. Goode asked how long the discussion would be on this matter. I think the very legislation which is before this committee is the best example of it.

These veterans bills referred to this committee all went through in one day, and no one asked any thing on them. So, as far as their being held up in the House is concerned, I do not think we need to be worried at all.

Mr. GOODE: Well, I am worried about it, even if you are not.

The CHAIRMAN: Could we decide this question tonight about an appeal to the House?

Mr. THOMAS: I have a few words I want to say, Mr. Chairman.

The CHAIRMAN: Do you wish to speak to the motion itself or to the amendment?

Mr. THOMAS: I have about ten or twelve minutes of material.

Mr. CROLL: Let us hear him.

Mr. THOMAS: I want to say that with regard to this extension of the terms of reference, I do not see how many of us, particularly new members, can do justice to this particular issue unless we have at least some review of the entire field of veterans legislation.

The war veterans allowance, that is the particular item, No. 650, I believe it is, and the pensions are all tied up so that we have to have a pretty thorough knowledge of the entire field of legislation before we can make any definite decision on it.

The CHAIRMAN: Order, gentlemen, please!

Mr. THOMAS: I do not see how it is possible to discuss this particular vote without getting an extension of the terms of reference so that we can delve into all the various phases of veteran legislation and become thoroughly acquainted with them.

There is no doubt in my mind as far as this vote is concerned that there is a means test attached to it and a pretty vicious one at that.

Our old soldiers are a pretty proud lot. They have reason to be proud of the injuries they incurred as a result of their service. So I think it is going to go very much against the grain of those old soldiers to make them come begging for this increase which they are going to get.

I think it should be done as a matter of right, that all pensioners should be given it as a matter of right. Let us not make these fellows come crawling to ask for that pittance that they are being allowed as an increase.

It seems to me that it goes against the grain of any man who has been getting this pension as a matter of right, who is proud of the fact that he is a casualty and that his pension cheque is paid to him because of that fact and is not related to his making a living.

As I said the other day the mere fact that some of these men with disabilities are working should not under the circumstances have anything to do with their getting an increase in pensions. They probably worked hard at their jobs to get where they are; but their disability simply means that they cannot get the advancement that some other men can get.

It is my opinion that this will not preclude an across the board increase, but will set a precedent whereby if there is to be any increase in the future, this will probably be the trend. So I just want to voice my approval of the amendment and state why I think this whole thing should be opened up before there is any further discussion.

MR. WHITE: Mr. Chairman, you have stated at various times that the rules of the House apply in this committee.

THE CHAIRMAN: Yes!

MR. WHITE: And you have also at least given your opinion that this committee can discuss the basic rates of pension and make recommendations.

THE CHAIRMAN: Yes.

MR. WHITE: I just wish to refer the hon. members to the debate which took place in the house when the amendment was moved by Mr. Brooks, and there was a debate before the Speaker gave his ruling.

If you will look at page 1626 of *Hansard* you will see the remarks which were made by the Prime Minister when he pointed out very clearly that the amendment as moved by Mr. Brooks changed the terms of the notice because it provided for the expenditure of moneys, and that before any legislation could be introduced in the house there had to be a resolution recommending it to the house by His Excellency, the Governor General.

If that is correct, it seems to me that this committee is strictly bound in its discussions by what is stated in the terms of reference. So with all due respect to the chairman and the views expressed by other members here today, I for one feel that any discussion we have had under our present terms of reference was entirely out of order; and if we made a recommendation to the house, it would be out of order entirely.

If the chairman is able to tell this committee on what basis or on what authority he made the statement that we do have the authority to discuss the basic rates of pension, I for one would be very glad to hear it.

THE CHAIRMAN: My reason for so asserting is this: The terms of reference are that we have the power to consider legislation not only which may be referred to us by parliament, but to make recommendations from time to time in respect thereto.

A recommendation from this committee cannot amend legislation to increase expenditures. You will appreciate that. But this committee may—and I have ruled that this committee may recommend consideration. That is the way we amended all the legislation in 1948.

We passed the bill without amendment, and our recommendation was that there should be eight separate changes. I disagreed with six of them. However, that is the way we went about it.

Mr. Brooks' amendment reads as follows: That item 650 do not now carry but that this committee request the house that it be given instructions to consider the basic rates of pensions and the War Veterans' Allowance Act and make recommendations in reference thereto.

All those in favour?

MR. GREEN: Will you please poll the vote, Mr. Chairman?

THE CHAIRMAN: You are requesting a poll. All those in favour of the amendment will please rise.

A poll vote will be taken, gentlemen. Please take your seats and answer yes or no when your name is called.

MR. CROLL: Mr. Chairman, you are going to have your trouble now. I suggest we stand up and answer. That is the surest way.

MR. GREEN: The names have got to be called.

The CHAIRMAN: Just so there will be no confusion—the names have to be called, but the clerk knows everybody. We will call the names of those standing and mark them. That was the suggestion. All those in favour of Mr. Brooks' amendment please stand. Those opposed to Mr. Brooks' amendment, please rise.

Gentlemen I declare the amendment lost.

Mr. GREEN: What was the vote?

The CHAIRMAN: The vote is 11 and 19.

Mr. LENNARD: Twelve to eighteen.

Mr. HENDERSON: Before we adjourn today I would like to say I have been listening to this discussion with a great deal of interest, and coming from the city I come from, I must say that I am very proud of the Legion; I am very proud of their activities and of their membership; and I further state that I received no protest from them. I must say I have been home on several occasions since this vote has been before this committee and I have received nothing but favourable comments and at this time, Mr. Chairman, I would like to put a motion.

Mr. GREEN: It is six o'clock.

Mr. CROLL: We have to wait for a motion of adjournment now, and he has the floor.

The CHAIRMAN: I was making a check on the voting, and the number is now 12 to 18, on a check. What is it Mr. Henderson?

Mr. HENDERSON: I move that this committee recommends that the government give further consideration to the representations submitted to the government and to the committee that the basic rate of pensions for all pensioners under the Pension Act should be increased.

Mr. PEARKES: That is a motion.

The CHAIRMAN: I understand that there has been no motion to adjourn.

Mr. CROLL: There was no motion to adjourn.

The CHAIRMAN: The chair is on its feet if that is not too Irish an expression. Now I have had handed to me Mr. Henderson's motion.

Mr. LENNARD: Where is Mr. Croll's motion?

The CHAIRMAN: Mr. Croll's motion was that this committee do now consider this item, and on it I accepted an amendment from Mr. Brooks. That amendment has now been defeated. I have not had a chance to read this yet, Mr. Henderson, but I understand that you are moving an amendment to the motion?

Mr. HENDERSON: No, it is a new motion.

Mr. GREEN: Well, on a point of order, Mr. Henderson said he is not moving an amendment; he says he is moving a motion, and that is completely out of order.

The CHAIRMAN: Let me read it and I will tell you.

The chair reserves decision on the matter and a motion to adjourn is in order.

The committee adjourned.

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Canada, Veterans Affairs,
in Special Order No. 1321

SESSION 1951
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

CHAIRMAN—MR. L. A. MUTCH

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

TUESDAY, JUNE 5, 1951

WITNESSES:

Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs.
Mr. J. L. Melville, Chairman, Canadian Pension Commission.

OTTAWA
EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1951

ORDER OF REFERENCE

TUESDAY, June 5, 1951.

Ordered—That the name of Mr. George be substituted for that of Mr. McLean (*Huron-Perth*) on the said Committee.

Attest.

LEON J. RAYMOND
Clerk of the House.

CORRIGENDA

Minutes of Proceedings and Evidence,

Thursday, May 31, 1951:

Page 205, last line:

a new *principal intention*.

should read:

a new *principle in pension legislation*.

Page 220, line 39:

I disagreed with six of them.

should read:

The Government agreed with six of them.

MINUTES OF PROCEEDINGS

TUESDAY, June 5, 1951.

The Special Committee on Veterans Affairs met at 4 o'clock p.m., the Chairman, Mr. L. A. Mutch, presiding.

Members present: Messrs. Bennett, Blair, Brooks, Carter, Corry, Croll, Cruickshank, Dickey, George, Gillis, Goode, Green, Harkness, Henderson, Herridge, Jutras, Larson, Lennard, McMillan, McWilliam, Mott, Mutch, Pearkes, Quelch, Richard (*Gloucester*), Stewart (*Yorkton*), Thomas, Weaver, White (*Hastings-Peterborough*).

In attendance: Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs; Mr. J. L. Melville, Chairman, Canadian Pension Commission.

The Chairman stated that he had given consideration to the point of order raised by Mr. Green at the close of the last meeting, and ruled that the point was well taken and that Mr. Henderson's motion was out of order on the ground that not more than one question should be before the Chair at the same time.

The Committee then resumed consideration of Mr. Croll's motion that Item 650 of the Supplementary Estimates carry and be reported.

Mr. Henderson moved, in amendment, that the said motion be amended by the addition of the following words:

with the recommendation that the Government give further consideration to the representations submitted to the Government and to the Committee that the basic rate of pensions for all pensioners under the Pension Act should be increased.

Mr. Goode moved, in amendment to the said amendment, that the Committee further recommend that the Government give consideration to the representations submitted to the Government and to the Committee, that the basic rate of our War Veterans Allowance be increased.

The Chairman ruled Mr. Goode's sub-amendment out of order on the ground that it introduces a subject-matter which is not germane to the original motion.

Mr. Pearkes moved, in amendment to Mr. Henderson's amendment, that all the words after the word *give* be deleted and the following substituted therefor:

consideration to introducing legislation during the present session of Parliament which will give effect to the representations submitted to the Government and to the Committee that the basic rate of pensions for all pensioners under the Pension Act should be increased.

Discussion followed.

At six o'clock p.m., the Committee adjourned until Wednesday, June 6, at 4 o'clock p.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
JUNE 5, 1951.

The Special Committee on Veterans Affairs met this day at 4 p.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Gentlemen, we have a quorum.

Before we get down to work, I have a correction to make in the record of the last meeting.

You will remember that just before the close of the meeting we were discussing the power of the committee to make recommendations in respect to legislation referred to us by parliament, even though our power to amend it was limited. Referring to the amendment to the Pension Act considered by the 1948 committee, I am reported as saying—page 220, 15th line from the bottom:

We passed the bill without amendment, and our recommendation was that there should be eight separate changes. I disagreed with six of them.

This last sentence, of course, is absurd. What I did say was: "The government agreed with six of them".

I was chairman of that committee and agreed with all its recommendations. The government accepted six of the eight recommendations relating to the Pension Act and initiated the necessary amendments to the bill in the House. I can get into trouble enough with what I do say without allowing myself to be misquoted to my disadvantage, and for that reason I raise this point.

When the committee concluded its vote on the amendment of Mr. Brooks to the motion of Mr. Croll, Mr. Henderson rose to speak. I assumed that he desired to speak to the main motion, and as no motion to adjourn had been made, I permitted Mr. Henderson to proceed. Mr. Henderson then proposed a motion which I assumed to be an amendment to Mr. Croll's motion. When this was disputed, Mr. Green rose on a point of order and challenged the propriety of Mr. Henderson's motion.

At that point the chairman reserved decision of the propriety of Mr. Henderson's motion, until a transcript of what had transpired was available. I have now had an opportunity to read the record.

It is clear that Mr. Croll's motion is before the committee and the chairman cannot entertain a second motion until Mr. Croll's motion is disposed of.

There was a parallel situation in the 11 a.m. meeting on Thursday last. Mr. Brooks attempted to move a motion which the chairman refused to accept, pending a motion of Mr. Croll which was then properly before the committee. At that time I assured Mr. Brooks that I would entertain his motion as soon as the previous motion was disposed of.

In this instance, I must rule that Mr. Henderson's motion must await disposal of Mr. Croll's motion upon which I will extend to him the same treatment extended to Mr. Brooks.

Mr. HENDERSON: I wish to thank you, Mr. Chairman, for the consideration, and for the same consideration which you have given my friend Colonel Brooks. In order to expedite matters I wish to move that the motion of Mr. Croll be amended by adding the following words, "with the recommendation that the

government give further consideration to the representations submitted to the government and to the committee that the basic rate of pensions for all pensioners under the Pension Act should be increased".

The CHAIRMAN: The motion and amendment are moved by Mr. Croll: "that item 650 of the supplementary estimates carry and be reported". Moved by Mr. Henderson in amendment: "that the said motion be amended by the addition of the following words: with the recommendation that the government give further consideration to the representations submitted to the government and to the committee that the basic rate of pensions for all pensioners under the Pension Act should be increased". The discussion is on the amendment to the motion.

Mr. GOODE: Mr. Chairman, I will support the amendment moved by Mr. Henderson to increase the basic rate of pension for all pensioners under the Pension Act, because I believe that even though we are increasing the rate for high priority pensioners there are a lot of men suffering disability in the lower pension brackets who have, through no fault of their own, taken part time work to enhance the value of the small pension paid to them. It seems to me that, although the cost would be \$22 million or more this money could not be spent in a better way. These men are not the type who ask for welfare relief, but most of them are quite prepared to work at the type of work which their disability allows. I support the amendment wholeheartedly, but I do think we are missing the chance in the amendment to assist another large body of men who are not receiving pensions at this time or who are receiving a small pension which is being enhanced under War Veterans Allowance. You have allowed the amendment moved by Mr. Brooks to be presented to this Committee which moved for an increase in the basic rate of pension and the War Veterans Allowance. I said at that time that I did not agree with grouping them together. I still do not agree, but for the fact that Mr. Henderson has moved this amendment I too desire to move the following amendment to the amendment and I hope that if this amendment meets with your approval as chairman of this committee, I will receive the support of the committee to it. So, Mr. Chairman, I move that this committee recommends that the government give consideration to the representations submitted to the government and to the committee, that the basic rate of our war veterans allowance be increased.

The CHAIRMAN: Before there is any discussion, gentlemen, I would like to see it. Mr. Goode's motion reads: "that this committee recommends that the government give consideration to the representations submitted to the government and to the committee, that the basic rate of our war veterans allowance be increased". I regret that I have to rule the amendment to the amendment out of order on the ground that it introduces a subject matter which is not germane to the original motion. Under those circumstances, Mr. Goode, I cannot accept the amendment to the amendment.

Mr. STEWART: Mr. Chairman, will you allow debate on this matter?

The CHAIRMAN: No, I am afraid on this point I cannot proceed further.

Mr. PEARKES: Mr. Chairman, in speaking to the amendment to the original motion, while I am quite certain that a very large number, if not all the members of this committee, will be entirely in favour of increasing the pensions right across the board to these pensioners, I am afraid that the amendment as moved does not bring home the urgency of the problem to the government, because if the amendment is carried it will then be referred back to the government. We all know this session is fast drawing to an end. There is a great deal of legislation before the government; there are estimates to be considered, and I am afraid

that if this amendment is carried in its present form, then, you will find that it may not be considered by the government before the end of this session with the result that we might find, if the government gave favourable consideration to the amendment—as I sincerely hope they will—that no action will be taken until much later in the year, and that would deprive these men, who are now in very straitened circumstances with the ordinary pensioner, and that special group which the supplementary estimate is designed to help would be deprived of any assistance in the immediate time.

The CHAIRMAN: May I interject? Are you suggesting that the amendment to Mr. Croll's motion would defer action on the motion to report it and send it back?

Mr. PEARKES: I think it is likely to defer action on the original motion and to defer action on the amendment.

The CHAIRMAN: Only in so far as this committee is concerned.

Mr. PEARKES: And I propose to suggest a slight change to this amendment in order to make quite certain that those veterans who are at the present time suffering will be assisted immediately, and therefore I would move as follows: I think it would come after the word "give" in the second line: "consideration to introducing legislation during the present session of parliament which will give effect to the representations submitted to the government and to the committee that the basic rate of pension for all pensioners under the Pension Act should be increased". The essential part is that we want to get this legislation considered during this session, so there will be no delay whatever in bringing assistance to the veterans.

Mr. McMILLAN: You mean giving consideration at the fall session?

Mr. PEARKES: At this session.

Mr. McMILLAN: You said "special session".

Mr. PEARKES: I thought I said "this session".

The CHAIRMAN: Yes, you said "this session". I now have the relevant material before me: Mr. Henderson moved in amendment to Mr. Croll's motion: that the said motion be amended by the addition of the following words: "with the recommendation that the government give further consideration to the representations submitted to the government and to the committee that the basic rate of pensions for all pensioners under the Pension Act should be increased", to which amending motion Mr. Pearkes moves that the amendment of Mr. Henderson be amended by deleting all the words after "give" in the second line thereof, and substituting therefor the words he has just read. It would then read "with the recommendation that the government give consideration to introducing legislation during the present session of parliament which will give effect to the representations submitted to the government and to the committee that the basic rate of pensions for all pensioners under the Pension Act should be increased". Well, in accordance with the practice there is no reason, so long as the subject matter is germane to the main motion and to the amending motion, why I should not, and therefore I do, accept Mr. Pearkes' amendment to the amendment, and at the moment, gentlemen, the discussion is on the amendment to the amendment.

Mr. STEWART: Just before the question is put, it seems to me that if the amendment to the amendment is carried we will never get action this year. We have about three weeks yet to sit if we finish at the end of the month, and we want to make sure that at this session of the House the needy veterans, whom the \$2 million dollars were supposed to take care of, are dealt with. I happen to be a member of the Legion, and there seems to be considerable pressure being brought to bear on the members of the Legion in this regard. I may say I was a member of other bodies before the Legion was even formed, but personally

I do not like the method of approach of the *Canadian Legionary* on this subject. For instance, I find an editorial on the first page headed: "A Burning Issue", and the second paragraph says this: "The issue is clearly defined. The government with an icy cold heartedness bordering on dictatorial brutality proposes to ride rough-shod over the long established precedents and practices governing disabled veterans' pension increases in accordance with the purchasing value of the dollar", and so forth. I do not think that that language should be used by the Legion with regard to any government. I do not think it is a method that the Legion pursued in past years to obtain action from the government, and regardless of party we should be here as veterans endeavouring to assist veterans, and I do not think articles of that nature assist anybody; and if you happen to be a member of the Liberal party I think you would take offence at that article, and I take offence at it. In addition, the members of this committee are all returned men and serving, and I think, generally speaking, from the tone of the language they have used previously have made very fair presentations and are anxious to see something done. I feel satisfied, personally, that we can get through, at this session and before we adjourn, the \$2 million vote for those who actually need it. I am not satisfied that if the amendment to the amendment carries that we will ever get through that amendment in discussion in the House this session. I am quite satisfied that there are a number of members in the House who are not members of the Legion or not returned soldiers. They would want to have a great deal to say probably, on the matter of pensions, and I think there will be discussions in the House as to how great the increase should be, and I think there will be further discussions in the House as to whether it should be increased as the cost of living goes up or down, and by the time you have finished that discussion, the chances are there will be nothing done. I believe we should take that \$2 million. There is to be another session this fall, and personally I feel there is not a great deal of difference between the amendment and the amendment to the amendment. I am going to support the amendment.

MR. BROOKS: Mr. Chairman, I am in favour of the amendment, you might say, but I do not see the force of Mr. Stewart's argument. He is basing his argument on the fact we must get through this House at a certain time. There is nothing which compels the House to get through by the first of July. These matters surely are more important than members getting home, and if a week or a few days are necessary to put through legislation such as this for the veterans, personally I see no reason why we as a committee should not sit, or why the House should not sit to complete business of this kind. Frankly, I think an argument of that kind falls entirely to the ground. I do not altogether agree with this criticism of the Canadian Legion. The Canadian Legion made representations to this committee, and we as a committee have a right to consider their representations. They expect their representations would receive consideration by this committee and also receive consideration by the government. I must again repeat that I do not see any great haste in our getting through our business in order that we may get home and come back for the fall session. This is, I consider, one of the most important matters which has ever been before any veterans affairs committee that we have had during the sixteen years I have been in parliament, and I feel that if it is necessary for us to sit another ten days or a week on legislation of this kind that we have an absolute right to do so, and so, as far as that argument is concerned, I do not think we should take it into consideration at all.

MR. CROLL: Mr. Chairman, let me just say that I agree there is nothing more important that we have to deal with than this present matter of basic increase of pensions. On the other hand, I think some members are losing sight of what that means. At the present time the agenda paper has many items on it which we will not be able to finish in this session, and the Prime Minister

has already indicated it is the intention to close this session and to open another session perhaps in September or October. The purpose of Mr. Henderson's amendment is to have, if possible, a unanimous recommendation from this committee to go to the government and to give the government an opportunity to study this matter. It is all very well for some people to say, "there is nothing there to study: cost of living has increased 50 points: the government can tell from that exactly how much they ought to increase the basic pension." There is more to it than just that. I do not think there is anyone in this committee who is not firmly of the opinion that a basic increase is warranted. I am not so sure that we have enough evidence before us at this time to say how much that basic increase should be. All we have before us at the present time is the Legion presentation and the National Council presentation, who joined in with the Legion without giving too many facts or figures. There comes another problem: in the course of our discussion I asked one of the witnesses if he wanted to tie this basic pension increase to the cost of living, and he said yes, he was prepared to do that. I asked him if he was prepared to face it on its way down, and he said—I think his answer was—yes, if we are prepared to face it on the way up. So far as I am concerned, and I speak for myself, I am prepared to see that the basic pension is increased on its way up. I am not prepared to see it decreased on its way down, and so for that reason I am prepared to give something perhaps a little less than the full 50 points warranted in order to make sure it does not have to go down; and I would like to know, as I think other members here would like to know, exactly what the government thinking is on it. So far as I know all they said is: "no" to the Legion request. I am not sure whether they said no to the 33 per cent completely, or whether they are prepared to countenance some part of it. I think before we take hasty action—they have enough work in the House at the present to keep them busy—it would be much more in the interest of the veterans to make sure we obtain for them a reasonable basic increase in their pension even if it came in October, rather than to hastily jump into something now that may not help. Our purpose here is to so bring our opinion to bear upon the government that they can appreciate the need for a basic increase in pensions. I do not think it matters very much whether it takes place in June, July, August or September, so long as it takes place. We have a supplement at the present time that will at least look after those who are in need, and there can be no denial the supplement suggests that there will be 6,000 people who will require perhaps \$2 million. Well, I have the same views on that as other members of the committee, that it may be 9,000 people requiring \$5 million. I do not know. That is what it may turn out to be, and I am sure that once we have passed Mr. Henderson's amendment and passed the item, the government will then be bound to meet the requirement whatever it may be. My suggestion is that we pass Mr. Henderson's recommendation, that we do not put a stop watch on the government and say to them, "you must do it at this session", that we approach the government in the same manner and fashion as we approached them the very last time in 1948 when we dealt with this matter: we said to them, "this increase will not do": they said, "we think the increase ought to be—I think, if I recall the first one—\$10, and we said, "not good enough".

Mr. BROOKS: Per cent.

Mr. CROLL: No, dollars. And the next was 17 per cent, and we said, "no, not good enough", and finally we agreed to 25 per cent and it was accepted. We then dealt with the government as becomes members of the House. We did not say, and we should not now say, "we want you to do this at this session", especially in the light of the statement made by the Prime Minister yesterday.

Mr. BROOKS: They made those changes at that session.

Mr. CROLL: We only had one session that year. We dealt with it in the early part of the session if I recall. We started sitting in the early part of the session and we had many, many prolonged sittings.

My suggestion is that we pass Mr. Henderson's amendment and leave the matter to the government for some study. They may be able to give it some quick study now, but I do not think we should apply unnecessary pressure on the government, particularly in view of the commitments they made in the House a few days ago. I think in that way we will get the results we are looking for.

Mr. QUELCH: Supporting the amendment made by General Pearkes, I believe there is a certain basic urgency in this matter but what I am afraid of is the government will pass this item 650 and that may be the last we will ever hear of this, as far as increases in pensions are concerned.

The veterans organizations which have submitted briefs in this committee have asked for an increase in the basic pension and I think, as Mr. Croll has stated, that a majority of the members of the committee approve or agree with an increase in the basic pension. On the other hand, the government has proposed an increase in the pension of certain classes, but they have made that conditional.

The CHAIRMAN: No, no. Please, Mr. Quelch, do not say that which is not true—and I know you do not mean to. They have not done that. The Pension Act is inviolate. This is a supplement for unemployability.

Mr. QUELCH: Well, it does not matter. It still stands that the government has proposed an increase in the rate for certain pensioners—providing they are unemployable. That means a means test—unless you are going to say that people work for nothing. Why does a person work? He works to increase his means of livelihood, and the government is now saying they will only increase pensions provided the pensioner is not able to increase his means of livelihood through employment. To that extent it is unquestionably a form of means test and that is the thing to which the veterans' organizations naturally are bitterly opposed. When you introduce the thin edge of the wedge you do not know how far the matter will be pushed in the future.

Now, in reading the minister's speech in the record, it says quite clearly, I think, that in so far as he was concerned—even if not as far as the chairman was concerned—the minister did introduce this as an alternative proposal to the request for an increase in pensions. The reading of that speech cannot leave any doubt on the matter. It is all very well for the chairman to deny that but let us take the minister's speech as it is found on page 22, towards the bottom of the page:

Now, the item that is before you as a supplementary estimate, implements the intention of the government to provide supplementary allowances for pensioners who are unemployable and whose pensionable disability is a major factor in their unemployability. As you know, representations were made to the department last autumn by the Canadian Legion and by the National Council of Veterans Associations for an increase across the board in the basic rate of pensions, and for various other measures of assistance to pensioners and dependents.

Now, after very careful consideration of the representation by responsible veterans organizations and after having made a survey of the situation ourselves, we came to the conclusion that the most pressing problem or problems rather, were those of pensioners who were unable to work and who had to consider their pensions, at whatever rate it might have been, as their sole source of income; and similarly that there was hardship in the cases of widows with small children who because of the care they had to give their children were unable to supplement their pension income.

The CHAIRMAN: Do you challenge the statement that it is the most pressing problem at the moment?

Mr. QUELCH: I am challenging your observation that this is not an alternative proposition. It is unquestionably an alternate proposition put forward by the minister, instead of bringing down an increase in the basic rate of pension. That is the thing I am challenging.

Mr. CROLL: He does not say that.

Mr. QUELCH: The inference is so clear. He refers to the matter of application being made for increases in pensions and says the government considered it and then brought down item 650.

Now, this proposal—Item 650—has been rejected or criticized by all of the leading veterans organizations in the country—by the National Council of Veterans Associations and by the Legion. Some members have tried to infer that the Legion have been the only ones to criticize but again, if you refer to the committee reports, you will find the representatives from both the National Council of Veterans Associations and the Legion criticized the report. Let us just refer to the statements they made. Take the Legion statement on page 78:

If the proposed supplementary allowances were to be in addition to an adequate pension they might be worthy of careful study. As has been pointed out, oftentimes, under certain local conditions where physical fitness is a prerequisite for employment, such as in the coal mines or steel works of Cape Breton, a comparatively minor physical disability may result in unemployability. In such a case the proposed legislation might serve a very real need. But if this legislation is proposed in lieu of an adequate pension, as it is, then it is pernicious in the extreme.

Therefore the Canadian Legion cannot be satisfied with the legislations before this committee. There are no recommendations for improvement on the basic rate of pensions nor is there any mention at all of war veterans' allowance, the two principal problems affecting veterans today. Worse still, the supplementary estimate of \$2 million now before you would alter the tried and proven pension policy in a manner not desirable to the veteran nor we suggest, to the Canadian public.

Then let us take the statement by Major Wickens of the National Council of Veterans Associations on page 106. You will find there this statement.

We support, gentlemen, as I have told you, the Canadian Legion protest about the unemployability grant—not entirely for the reasons expressed by the Canadian Legion in their brief.

... but as far as we are concerned, Mr. Chairman and gentlemen, the practical way to deal with the matter would be to take those good things that are desirable in this scheme and engraft them upon the war veterans' allowance scheme and let us have one scheme of war veterans' allowances throughout which the test of eligibility will be the same. I am speaking of what is known generally as the means test.

Then, if you will turn over the page you will find:

We feel that this unemployability grant is a mistake. It is another classification and will only make things worse.

Mr. STEWART: Well, you do not want to be unfair. To be complete you should just read what is given at the bottom of page 114—that paragraph.

Mr. QUELCH: No, I am not going to read any other references. You can read in any other part of this where you wish to counter the argument, but I am just reading those points where different speakers stressed the fact that they were opposed to this statement. If I was going on to read all of the points raised I would take the whole afternoon.

Mr. STEWART: I thought you might read it, just while you were on it.

The CHAIRMAN: Order, please.

Mr. QUELCH: You can quote any other points you wish but I read this in support of my argument that certain officials did criticize this grant. If you wish to refer to the statement made by Mr. Lambert on page 111 he stated:

You bring in this supplementary allowance; it is not a bill but it is some kind of an estimate, and we consider this as another contribution to the poverty of the veterans, I would say, and we do not like that.

Then, we get down to the statement by the *Legionary*—the official organ of the Canadian Legion. Mr. Stewart has already quoted from it and I would like to quote from the same editorial to finish up—just as Mr. Stewart may wish to quote from the brief. I am quoting from the page that he was quoting from, continuing from where he finished. It is on page 6, part of the article headed "A Burning Issue".

The Canadian Legion has taken sharp issue with the government. Its brief to the House of Commons Committee on Veterans Affairs termed the proposed legislation "retrograde, alarming, dangerous and pernicious", and offered sound reasons to prove it. Fully documented with a wealth of relevant statistics, no more impressive brief has ever been submitted by the Legion to a parliamentary committee, and it was presented with great conviction and deep sincerity by the two top men of the organization, Alfred Watts, the dominion president, and Dr. Lumsden, the dominion first vice president.

This is the point I wish to draw especially to your notice:

It now remains to be seen whether the committee composed entirely of ex-service MP's (listed elsewhere in this issue), will accept or reject the government's bill. If they reject it, as the Legion hopes they will, the government may reconsider the whole matter, particularly as the committee has a majority of Liberal members. On the other hand the government, with its huge majority in both Houses, could of course railroad the legislation through, if it should be determined to do so.

I think I have quoted enough to show quite clearly that officials of both the Legion and the National Council of Veterans Associations are opposed to estimate 650.

Now, some members have suggested that we have not heard from our local branches. Well, from Alberta, we have received a number of telegrams from the branches and I would quote one of them. I will just quote a telegram from the Montgomery Branch in Edmonton.

The Montgomery Branch of the Canadian Legion in Edmonton thanks you for your stand on behalf of veterans before the Committee on Veterans Affairs stop We strongly protest the introduction of the means test into pension legislation stop We wholeheartedly support Dr. Lumsden's statement we deplore the careless attitude of the federal government in refusing an increase to recipients of pensions, war veteran's allowance and mothers' allowance. We wish to thank you.

W. J. Williams Executive Secretary
Montgomery Branch.

I might say I did not contact them and this was quite spontaneous on their part. It was sent to Mr. Low the leader of our group, and as I say, it is quite obvious that the veterans' organizations are opposed to item 650.

In considering new legislation I have always taken this attitude. If it is a step in the right direction, no matter how short or how small the step may be, and

even though it may not go as far as I would like to see it go, I will support it; but this is in the wrong direction, and therefore I cannot support it. I believe it is the introduction of a means test which, if followed through, will mean that at some date in the future any 100 per cent pensioner working or receiving a fair salary may have his pension reduced. There is good reason for coming to that conclusion, as a result of the statements made by the Minister of Veterans Affairs himself and by one of the members from British Columbia.

I believe the 100 per cent pensioners have a right to a pension in line with general prices and wage levels, and let us never forget that no amount of money could ever compensate a pensioner for the loss of a limb. None of us, I am sure, would trade any amount of money for a disability.

In 1948 I received a number of letters and telegrams from the boards of trade in Alberta asking for an increase in the basic pension to \$100 a month. That was in 1948. The basic pension now is \$94. In spite of the increased cost of living index from 155, then to the present 182, the pension is still not up to \$100 as requested by boards of trade and veterans' organizations back in 1948.

Now, as I say, I think there is reason to believe that there is beginning to be a change of opinion on this question of pensions by some people, and by some people in authority. For instance, we have the statement by the Minister of Veterans Affairs on page 23 which has caused a certain amount of concern already—especially in view of the fact that item 650 has been brought down. I will quote:

Now, it seems to us there is no question that the present day idea of the working and earning capacity of those who are victims of the most serious disabilities is very different to what it was a few years ago. Certainly to what it was ten, twenty, and thirty years ago, and it is true that no longer is the man, for instance, who has lost a leg or who has lost an arm considered as being out of the labour markets. No longer do people hold the belief that his earning capacity is necessarily circumscribed by his physical disability.

On the basis of that argument one might well say that he does not require a higher pension. That is the kind of argument that will certainly follow after what the minister has said. That is the inference you are bound to draw from that statement and therefore one can quite understand, with that mentality behind the proposal, why this item 650 is being brought down today providing that an increase in the pension will only be given to those who are unemployable. A similar suggestion was put forward by one of the government members from British Columbia early in the sittings of this committee and, of course, veterans associations will resent such a suggestion and I think a majority in Canada would resent it.

Therefore, I think it is important that the government should give consideration to a basic increase in pensions before dealing with item 650. When they have dealt with the question of an increase in the basic pension then they could deal with item 650 and perhaps do as was suggested by officials of both the Legion and the National Council of Veterans Associations—tie it up with the War Veterans' Allowance Act rather than with the Pensions Act.

I think it was the member from Burnaby that kept referring to a pensioner with only 20 per cent disability. The man who gets a small pension will not receive any benefit here at all. Under this, you have got to be a 35 per cent pensioner if you are single, and 45 per cent if you are married, before you receive any benefit at all. The 20 per cent class will not get anything—they are in the war veterans' allowance class. It is they who are receiving war veterans' allowance who are suffering most, and it is for them we need legislation. This will not be of any help to them at all.

Therefore, I am supporting the amendment made by General Pearkes.

Mr. HERRIDGE: I rise briefly to support the amendment moved by Mr. Pearkes because I believe this is a 'burning issue' and something could be done at this session if the government wished that something be done.

I want to deal briefly with Mr. Croll's approach to this question. He dealt with the 1948 committee and how we started out at 10 per cent, went to 16½ per cent and then finished up with 25 per cent. The difference between 1948 and now is this: then, there was complete agreement that we were dealing with an increase in the scale of disability pensions. The only disagreement was as to the rate of increase and finally, as the committee met, the government agreed to increase the rate of disability pensions by 25 per cent. That is an entirely different situation to what we have today.

Today the difference between the various members of this committee, and the members of the committee and the government, and the Legion and National Council of Veterans and the government, is not as to the rate of disability but as to the violation of an established pension principle in Canada. I think that is the great difference between what our actions in the committee were in 1948 and what they are on this occasion.

Furthermore, Mr. Croll mentioned that we have not the time; that we would have to get evidence as to the increased cost of living and establish the percentage of increase that would be fair and reasonable; and so on.

Surely Mr. Croll, as an old time member of this committee and a very long time member of the House, knows that information could be obtained very quickly by this committee and in fact, in general, it is known by this committee. The exact information could be obtained and given to the committee in two or three meetings. On the basis of previous experience in this committee in 1948, a rate that was just and fair could be very well struck and recommended to the government. I am sure that there are no members of this committee who will deny that.

Now, Mr. Quelch quoted an editorial from the *Legionary* and I would just like to say this. We recognize that the *Legionary* is the national official organ of the Legion and an editorial in the *Legionary* is a reflection of national Legion policy. The rest of the articles are written by various writers who do not take responsibility, but the Legion publishes the *Legionary* which is its official organ, and therefore the editorial represents or reflects official Legion policy or official attitude towards certain action on certain policy.

Before proceeding further, Mr. Chairman, I do want again to emphasize the fact that in this editorial Legion policy is clearly indicated as being such that they wish the members of this committee to reject the proposal contained in this estimate.

The CHAIRMAN: I would interject a question if I may. I am not accepting your point of view but if I did, do you think it is a proper suggestion?

Mr. HERRIDGE: I did not hear that.

The CHAIRMAN: I say that I am a member of the Legion myself and rather proud of the fact. Although I am not accepting your point of view, if I did would you expect me to interpret what you have read as being a proper suggestion?

Mr. HERRIDGE: I have been a member of the Legion since its inception and it is generally recognized by all the branches with which I have been connected, and by provincial commands, that editorials in the *Legionary* reflect policy of the Legion in Canada.

The CHAIRMAN: That was not my question. You had just stated, I think, that the Legion demanded certain action on the part of elected representatives of the people who compose this committee, and I asked you if you thought that was a proper suggestion?

Mr. HERRIDGE: I am just referring to the editorial in the Legion which was mentioned or read in part by Mr. Quelch and which reads as follows:—and I think the answer is in the reading:

"It now remains to be seen whether the committee, composed entirely of ex-service MP's (listed elsewhere in this issue), will accept or reject the government's bill. If they reject it, as the Legion hopes they will, the government may reconsider the whole matter, particularly as the committee has a majority of Liberal members."

I am just referring to that.

Mr. CROLL: Read the rest of it, please?

Mr. HERRIDGE: Certainly. I am not given to reading in part except to save time.

Mr. CROLL: We have got lots of time.

Mr. HERRIDGE: "On the other hand the government, with its huge majority in both Houses, could of course railroad the legislation through, if it should be determined to do so. That, however, would not only make a farce of the parliamentary committee but would undoubtedly have serious political consequences in future elections."

The CHAIRMAN: Thank you very much.

Mr. HERRIDGE: Now, Mr. Chairman, it is because we recognize the interest of all members of this committee, and because all the members of this committee are veterans—I think the great majority are members of the Legion—that we take time to discuss these proposals. We move amendments, sub-amendments, and carry on debate in the hope that we may be able to persuade all the members of the committee that our point of view is right from the point of view of the country and of the veterans organizations.

I see you smiling at me as if you do not agree.

The CHAIRMAN: I always smile, Mr. Herridge. When I cannot do that I will resign this chairmanship.

Mr. HERRIDGE: Thank you very much.

In addition, I think there is no question at all but that the veterans organizations want action on this question as soon as possible. The editorial is headed "A burning issue". They do not term something "A burning issue" if they want to delay it, as Mr. Croll suggests, and deal with it at a later date.

Like Mr. Quelch and other members of the committee, I have been receiving telegrams from branches in my constituency. Those telegrams clearly indicate that the rank and file are very interested in supporting the decisions of their national representatives and decisions taken at recent provincial conventions. I am going to put on record one telegram because it represents those I have received, although the others are somewhat different. This is from the Rossland branch:

Rossland branch on record for extension of terms of reference of parliamentary committee stop Protest unemployability assistance funds to disability pensioners stop Urge carrying out of Legion requests in brief.

Donald Camozzi secretary.

The other telegrams were not identical but they cover the same points of view. They all urge the carrying out of the requests in the Legion brief.

Because the Legion considers this 'a burning issue', and because the veterans are united in considering it 'a burning issue', and are united against the proposal put forward by the government in item 650, I support the sub-amendment moved by Mr. Pearkes, and trust that a majority will also support it.

Mr. JUTRAS: I just want to say a word on the amendment or subamendment. What we have now before us in the subamendment to the amendment is a basic increase in pensions. Therefore, I do not propose to discuss the unemployability supplement at this stage—because we are really considering the question of basic pension treatment.

I think that everybody in the committee will agree, or at least it is my impression that all members of the committee are in agreement as to the principle in both the amendment and the subamendment, because it is the same in both. There seems to be a difference of opinion merely on the matter of method to follow in achieving the same end.

I do not think it is right to say, as Mr. Herridge has said, that Mr. Croll intimated that he was desirous of effecting delay in the matter by supporting the amendment or first amendment by Mr. Henderson.

As I said, it is a question of as to what is the most effective method to follow to achieve the end we want to achieve. Reference has been made to the previous committee in 1948. I fully concur that the circumstances are not the same, but still I think there is a lesson to be learned from the method followed at that time, and I agree with Mr. Croll that the most effective method is still to support the amendment as proposed. At this stage I would like to say a word about the Canadian Legion. The Canadian Legion so far have shown great concern, and they have made their position very clear. I think I am being fair when I say that their concern in this discussion has been not to accept any settlement nor any other measure in substitution for a basic increase in the disability pension. I think that that, basically, is their main concern. They have presented it in various ways and with great force, and I understand from the Legion they are continuing to press that point of view forward. I agree with them, and I commend them. I think they have made a very good job of putting members, and the government, and the public at large on their guard against altering or changing the basic conception of the pension. I want to assure the Legion that I, for one, have no desire of effecting any change in the basic disability pension, and I still feel in supporting the unemployability settlement that we are not doing that, and if we are careful I am sure the two can work out together, and will in the future; but still I think that we should watch it, and watch it closely, and I still feel that the Legion is quite justified in doing a good job in keeping this point of view straight before everybody concerned. For various reasons—and I do not propose to take the time of the committee by enumerating them—I still believe that the amendment is the most practical step to follow at this stage. My objection to the subamendment of Mr. Pearkes is that it really does not add anything to the amendment, and, I think everybody will have to agree; it really has no practical value as such in the circumstances that we are in. It is all very well for us to sit here—we should, and I know we should—and consider this matter, but we are only a small part of it. You know as well as I do that, to be practical, this House will adjourn at the end of the month, irrespective of what this committee does or does not do, this House will adjourn; I think that is obvious. At any rate, if it were just that, the subamendment would be pretty harmless in itself. However, in trying to specify in a motion, the inevitable effect is to restrict the motion, and the amendment of Mr. Pearkes definitely has the effect of restricting the motion of Mr. Henderson, because as such it put a time limit on it. It restricts it in a certain respect, and I think, myself, that the amendment as it stands, without the subamendment, is framed in such a way as to be most practical to achieve the end that we want to achieve. For that reason I would suggest that we pass the amendment without the subamendment so as not to restrict it in any way.

Mr. WHITE: Mr. Chairman, I am in favour of the subamendment moved by Mr. Pearkes. In regard to what Mr. Croll and the last speaker have just said, if you will look at pages 22 and 23 of number one report where the minister

spoke, you will see it is indicated very plainly there. The minister points out that representations were made both by the Legion and the National Council last fall, and then the minister states these significant words: "now, after very careful consideration of the representations by responsible veterans' organizations and having made a survey of the situation ourselves..." I think it is quite clear, gentlemen, that the government has very carefully considered the representations made last fall both by the Legion and the National Council. Just who the minister meant when he said, "these representations were carefully considered by responsible veterans' organizations", the minister does not say.

Then, on page 23 you will note that the minister says that he and his colleagues are in sympathy and they appreciate the sincerity of the representations that have been made. I think it is quite clear. You remember that these representations were made last fall; they were carefully considered and a survey was made by the department. Then when the committee was set up that our terms of reference were restricted, and the government has already introduced a bill to amend the Pension Act which does not make any reference to the basic rate of pension. Therefore, I do not think it is far fetched to say that at least the evidence so far indicates that the government at the present time is not favourable to an increase in the basic rate of pension. The Prime Minister in his statement yesterday indicated the legislation we would deal with in the fall, and as you know, the session cannot extend very far past the middle of December, and I for one feel it will be impossible for our veterans committee to sit; and that is one reason why I think the subamendment moved by Mr. Pearkes is most important, having in it these words: "at this session". Let us know "yes or no" what the government is going to do as far as basic pension rate is concerned. If they are going to say "yes" let them say so, and if—

The CHAIRMAN: Would you suggest that an answer "yes" or "no" now is more important than achieving the objective?

Mr. WHITE: What is the objective?

The CHAIRMAN: Getting an increase in the basic rate.

Mr. WHITE: Yes, but, Mr. Chairman, I would remind you that these representations were made last fall.

The CHAIRMAN: Not to this committee.

Mr. WHITE: No, to the government. And, after all, only the government can act, and the responsible minister says himself they carefully considered, and they made a survey themselves, which—and I presume—is the Department of Veterans Affairs, and they found certain things; and their finding did not include a finding that the basic rate of pensions should be increased. I was much impressed with the remarks Mr. Quelch made, and I concur in them in every way. I would like to add these significant remarks following on page 23 which Mr. Quelch quoted: the minister said, "now, it is possibly true that still too many of us are apt to consider a disability pension as a means of livelihood, as a substitute for a pay envelope, if you like to put it that way. Now, there is no doubt that some years ago that was true, but I think now that a better conception of the purpose of a pension is that it is to compensate the recipient for the lack of ability to do anything that a person without a disability can do".

My experience with the pension board has been that they make the allowance on your disability. It is not for the purpose of what a man can do and cannot do in every case, because I will just mention one case of a young veteran in my community in whom I was very much interested, who lost his leg in Italy. The leg was taken off so high up that he cannot wear an artificial leg, and he goes on crutches. He is a brilliant young fellow and went through law school, and is now well established, and he will make just as much income, or earnings if you like, whether he has his leg or not; so, following out the reasoning of the minister, that young fellow would not be entitled to anything, because I have

yet to know of any case where the pension board has taken into consideration in arriving at the amount of the award anything that a veteran has lost through his disability in the way of sport, or recreation in the way of fishing, bowling, skiing or anything of that nature, and I think if I ask the chairman he will agree with me whether in setting the award, do they consider in any way that for the rest of his life that young man will never be able to ski, or skate, or play hockey? I do not think they pay one particle of attention to the way in which a young man has to change his life and give up these methods of sport, which I think we all agree are important. I am certainly in favour of the amendment moved by Mr. Pearkes.

Mr. GILLIS: Mr. Chairman, I am not very much concerned with holding post mortems. I do not think they prove anything, or help the cause very much in resurrecting the dead. We are not going into the museum to try and improve modern conditions. I think there is considerable clarification necessary in what we are discussing now, and I like to be accurate about things. Now, this editorial in *The Legionary*, the last issue that was quoted here, is not exactly accurate.

The CHAIRMAN: That is a marvelous understatement.

Mr. GILLIS: Because in what my honourable friend on my right just read, it stated they hoped this committee would reject the bill. Now, there is no bill before this committee yet on the matter of pensions at all; it is merely a vote; it is an estimate of the House of Commons for \$2 million to relieve the unemployed veterans. That is all we have discussed, so the assumption in the editorial that we are dealing with a bill, and we will either reject that bill or pass it, is in error, and would be misleading to the members of the organization outside who did not see this picture. I just wanted to point that out, that it is not exactly correct, and I wanted to point out also that in this issue, a little further over on page 9, the statement is incomplete again.

The CHAIRMAN: Is that under the picture?

Mr. GILLIS: I said the other day when I spoke on this matter that nobody who has done any talking about the matter up to the Legion coming in had very much chance of studying or giving it much thought, because it came up quickly. These men came in here with just a hurried look at it, and in addition to that they had conventions to attend, and they were going overseas, and there was not a proper chance to give this thing the analysis it was entitled to, and that is very clearly indicated on page 9, where there is another article with an editorial note to the effect, "No means test for disability pensioners to get unemployability supplement assert Lapointe and Gillis". That is completely misleading because whoever wrote that has created an impression in the minds of those who read it outside that Lapointe and myself are the two people in the House who are fighting for this unemployability supplement, and believe that there is no means test, and that is not true.

Mr. STEWART: And they put your pictures in.

Mr. GILLIS: Yes, our pictures are there side by side. Now, in the interests of accuracy again, I would like to state this for the benefit of whoever wrote that article, that he was a little premature with it because the representatives of 300,000 veterans in this country that appeared before this committee also took the same position, that it was not a means test. These men had an opportunity of meeting with the members of the pensions committee and the minister, and their minds were disabused of the fact that this was a straight welfare means test. That is not pointed out in this article. As far as I am concerned I have said that a means test, thrown around loosely as it is, was an over simplification of the matter. My objection to it was that it was not a means test; it is not that simple; that it is an unemployability test; it is a medical test, and it is going to be much more difficult to determine than where

you are just making enough money to get a bite to eat or not, and in that connection that article is completely misleading. I am pointing that out for the benefit of those who may be writing for this paper in the future. I am a member of the Legion; I was a member of the old G.W.V.A.; I was one of the people who made the fight to bring it into this country. I am still a member, and an active one, and so much interested in it that I do not want to see it make any mistakes or lose any of the prestige it has got in this country at the present time.

Now, in connection with the business before the committee; I think that coupling, as the amendment does, the supplementary allowance with the instruction or request to the government that we should ask for an increase in the basic pension is doing the question of getting an increase in the basic pension a disservice when we class the two of them together at the present time. I thought the proper action was that suggested by Mr. Brooks' amendment which said, we leave this on the table at the present time: let us ask the government if we have terms of reference sufficiently wide, to have them decide on the question of a basic increase in pensions. We would have got some decision from the government on that question which would have enabled us then to decide whether this is the best way we can get at this time, or otherwise, because I am convinced that we have not got terms of reference sufficiently wide to enable us to make a recommendation on this question of a basic pension; it is not before this committee.

The CHAIRMAN: Excuse me; that is a challenge to the chair. I have accepted the amendment. I have said over and over again in this committee that the power to recommend is given on a matter referred to us, and this question was obviously referred to us through this supplement; and secondly I have ruled, and I have accepted the motion. I regret to have to rise at this point, but I do not think you should say that the matter is not properly before the committee when the chairman has ruled that it may be discussed, and you are, in fact, discussing it.

Mr. GILLIS: Well, Mr. Chairman, I said "in my opinion".

The CHAIRMAN: Well, I will not challenge your opinion: I thought you stated it as a fact.

Mr. GILLIS: I would also like to point out that, as one who has had a lot of experience as chairman of unions, conventions and organizations, it is sometimes a pretty good manoeuvre to gain time and offset the desires of your opposition to accept something that can delay the thing for about three weeks, and we be told in three weeks time that the supplement is what you are going to get, and you have not got terms of reference sufficiently wide—

The CHAIRMAN: Again you will have to excuse me, but if you are suggesting that as the chairman of this committee—and you are suggesting it, in my opinion—that I have done anything as a matter of manoeuvring, or that I am a party to any manoeuvring of the committee, I would certainly ask you to either prove it or withdraw it.

Mr. GILLIS: Well, I did not. Your conscience is bothering you.

The CHAIRMAN: No, I understand English, and this is going on the record. Your suggestion, when I rose was "sometimes when you are manoeuvring a committee"—that was the thought. I am not sensitive; I am perfectly able to look after myself in this or any other competition I have had so far, but there is something due to the dignity of the position I hold here, and if you are suggesting it I think you ought to either prove it or withdraw it. That is not personal; I do not personally care about the suggestion, but I am a chairman of a committee of the House of Commons.

Mr. GILLIS: If you were listening to me—

The CHAIRMAN: I was, very attentively.

Mr. GILLIS: —at first I said "in my opinion such and such a thing could happen"; and secondly, I made no reference to you; I referred to myself as one who had had considerable experience.

The CHAIRMAN: We will leave it to the record.

Mr. GILLIS: But if it offends you—

The CHAIRMAN: It does not offend me personally, but I do not think it is good practice.

Mr. GILLIS: I am talking about the amendment, and I think tying the two together will cause a disservice. Let us take a look at what can happen; Mr. Croll's motion is, of course, to send this back to the House for a decision with our recommendation. Mr. Henderson recommends that in addition to that recommendation that we recommend to the government that they give consideration to an increase in the basic pension. Now, if we pass that tomorrow—I do not anticipate it will be passed today—it goes back to the House: there is an awful lot of legislation on the order paper in the House that may go on there next week and the week after, and in the meantime we are dealing with other bills we have here that are not very controversial. We anticipate the House will close around the end of the month when we finally will get around to this supplementary estimate again, and it comes back to the committee on the dying days of the session, and we are told the government have decided consideration will be given sometime in the future, but in the meantime you pass this supplementary estimate. There is no time then to have a fight about the thing. That is it. You go home and come back in October and reconsider it. I do not think, with all due respect to General Pearkes, his amendment to the amendment helps very much, because you know, and I know, and he knows, that we have very little influence in kicking around the government or the treasury, and in the final analysis it is the Treasury Board you are dealing with—not the government, on a matter of this kind. I would be prepared to take a straight vote on Mr. Croll's motion of accepting this or rejecting it, or I would be prepared to amend the proposal now before the House to get this supplementary estimate laid on the table, and let us pass Mr. Henderson's motion asking the government if we have the terms of reference necessary to recommend this thirty-three and one-third per cent increase in the basic pension; let them make a decision on the matter, and then bring it back to us, but I think tying the two things together is going to complicate it, and you are not going to get very much action in this session of the House.

Mr. GEORGE: Mr. Chairman, I do not want to labour this point, but I have had a number of letters from individual veterans, and these letters mostly all start out this way: "I personally back the Legion brief and ask you as our representative to back it." Mr. Chairman, we all know, those of us who belong to the Legion, we have two loyalties, one is to the Legion and one to those who elected us their representatives, and that is the position we find ourselves in now. We have been given two alternatives: reject this \$2 million, or approve of it. I think that is what we have to do. Mr. Henderson's motion, in effect, recommends to the government that the problem of increasing the basic pension across the board be given further consideration by the government. I do not feel I am in a position today to vote on the increased basic pension right across the board. We have had no time to study it, and there are a lot of implications that must be studied. The government has obviously studied it and at the moment it would appear they are not in a position to grant it. The last edition of *The Legionary* is very controversial, especially in its editorial. They use two terms which I do not like: one is "railroad"; that has a very bad meaning, it is almost imputing motives; and the other one is "politics"; I understand never have politics entered into veterans affairs committees, and I feel there

again they are imputing motives. If you remember, the Canadian Legion have asked us to reject this \$2 million. Dr. Lumsden in his evidence begs the question. He does not say what the alternative is. The alternative in my opinion is to vote it, or else those deserving cases which are in need today will not get this additional money until some future sittings of this House can approve it. There is another thing I have not heard brought out—it may have been brought out while I was out—that this Legion brief originated from the top rather than the bottom which is the usual case. I think that is indicated by the lack of telegrams and letters we have received from veterans branches. I have not received any representation from a legion branch. I have received some personal ones. Therefore, it would appear that this has gone the reverse of every other matter that has come from the Legion. I am not particularly criticizing it, but it would appear that that is where some of the trouble has originated. I cannot understand either Dr. Lumsden and the Legion brief, or the editorial in the last issue of *The Legionary*, asking us to refer this back to the House when they know just as well as we do what the alternative would be, namely, that these veterans would in all probability not get any unemployment compensation until such time as this issue of increased basic pensions right across the board got settled. Therefore, I feel we should pass Mr. Henderson's amendment, and get on with the work.

Mr. GREEN: Mr. Chairman, the position before the committee today, as I understand it, is that we have in the first place a motion by Mr. Croll to the effect that item 650 of the supplementary estimates carry and be reported.

The CHAIRMAN: That is right.

Mr. GREEN: Then, to that there is now an amendment moved by Mr. Henderson which, in effect, contains a general recommendation to the government that they give further consideration to the submissions which have been made to the government and to the committee with regard to the basic rate of pensions.

The CHAIRMAN: It is more definite than that, Mr. Green. It carries in the last sentence, "that the basic rate of pensions of all pensioners under the Pension Act should be increased". It is not just "reconsider what to do about it", it is "reconsider an increase".

Mr. GREEN: No; I would like to read the amendment; I think it speaks for itself, Mr. Chairman. It is in context with Mr. Croll's motion, a recommendation that the government give further consideration to the representations submitted to the government and to the committee that—there is the key word—that the basic rate of pensions for all pensioners under the Pension Act should be increased. So, in effect, the amendment merely asks the government to give further consideration to the recommendations which have been received. Then there is a subamendment moved by General Pearkes to which I shall refer in a few minutes.

But, first of all, I would like to point out in regard to Mr. Henderson's amendment that when we were meeting on May 31 there was an amendment to Mr. Croll's motion moved by Mr. Brooks which was that item 650 do not now carry, but that this committee request the House that it be given instructions to consider the basic rate of pensions under the War Veterans Allowance Act, and make recommendations in reference thereto. On the vote on that amendment, strange to say, Mr. Henderson voted nay, and he followed with a motion, not an amendment to Mr. Croll's motion, but with a new motion which will be found on page 176 of the proceedings, which, in effect, contains the same words as does the amendment to Mr. Croll's motion today. When he was asked by the chairman whether he was moving an amendment to Mr. Croll's motion, he said "No, it is a new motion". Today, when our chairman rules his motion out of order and says he can bring in a new motion later on

amendment that when we were meeting on May 31st there was an amendment that offer, but he then pops up and puts his motion of May 31 in the form of an amendment; and then Mr. Goode, who also voted against Mr. Brooks' amendment the other day, jumps up today with a subamendment with regard to war veterans allowances.

Mr. GOODE: I must take exception to that. I have always maintained in this committee that the matter of basic pensions and the matter of war veterans allowances is entirely a separate matter, and that was the reason for my amendment today.

Mr. GREEN: I am merely pointing out that the other day—

Mr. STEWART: I do not see there is any useful purpose in one veteran going after another and criticizing him in this committee as Mr. Green is endeavouring to do. Let them get down to what we are proposed to do.

The CHAIRMAN: The chair has been appealed to. I can take no objection as chairman to anyone recording proceedings of the committee, or even placing his own interpretation on them, but it is improper to impute motives, and I think Mr. Green will be the first to agree with me.

Mr. GREEN: Yes; I am not imputing any motives. I am simply citing what has happened.

The CHAIRMAN: That has been challenged properly by Mr. Goode; I cannot referee that.

Mr. GREEN: We have come to this position; that this amendment now moved by Mr. Henderson in all its generalities is nothing more than a pious hope; what will happen if it is carried and if the recommendation goes back to the House containing Mr. Croll's motion which approves the item 650, and Mr. Henderson's general recommendation that the government give further consideration, is perfectly clear; the government will act on the item 650, and will quite properly say that this other recommendation does not ask them to act at this session, that they want to take time to consider it, and the result will be that the question of an increase in the basic rate will be stalled along until the fall session; the fall session has already been earmarked to deal with other matters such as the amendments to the Railway Act and the report of the Massey commission, and there will certainly be no veterans affairs committee set up at that fall session, and the result will be that this basic increase will not be dealt with this year; it certainly cannot be dealt with until a year from now, and in all probability will not be dealt with even then.

That brings me to the amendment moved by General Pearkes. That amendment is in these words, in effect: that it recommends giving consideration to introducing legislation during the present session of parliament which will give effect to the representations submitted to the government and to the committee that the basic rate of pensions for all pensioners under the Pension Act should be increased. Well, in contrast to Mr. Henderson's motion, which is just a generality, the amendment of General Pearkes asks the government to consider introducing legislation during the present session of parliament which will give effect to this request for an increase in the basic rate of pension.

The emphasis is placed on getting action during the present session. We still have approximately a month of this session to go. If the government accepts the recommendation there is ample time in which to put through a basic increase.

Now, Mr. Jutras comes in today with a very plausible argument that what we should do is make the general recommendation and then give them time to make up their minds about what they are going to do at a future session—and he refers back to the meetings of this committee which were held in 1948. If Mr. Jutras will remember we got action in 1948 because we

did exactly the opposite to what he is advocating today. We did not say then that we recommend that the government consider increasing pensions further and come back and tell us at another session whether they were going to do so or not. No. This committee said twice that they would not accept the increase proposed by the government and that there had to be further increases granted during that session.

Mr. JUTRAS: The record does not bear that out; the committee did not say that. I could prove just the opposite if I had the record of the 1948 meetings.

Mr. CROLL: You are perfectly right, Mr. Jutras; I was just making a note to comment on that.

Mr. GREEN: There was only action obtained in 1948, there was only the final increase of 25 per cent, because the demand was kept before the government during that session. There was never a suggestion that it should be held off for a year.

Mr. JUTRAS: Who kept demanding? The committee?

The CHAIRMAN: Mr. Green, the committee in 1948 made only one recommendation. It did not reject any proposal as a committee. Argument was adduced against the proposals of the government, and I know whereof I speak as I was chairman of that committee whose deliberations went on for twenty-one meetings. The final and only recommendation of this committee which the government accepted was the only recommendation made. This committee never rejected anything; the only recommendation it made was accepted.

Mr. GREEN: Perhaps you will agree with this—because demands were persistently made in the committee for additional increases those increases were granted.

The CHAIRMAN: I was going to answer that I think the most effective demand was from outside but it was made by members of the committee. There is no doubt about that.

Mr. JUTRAS: May I ask just one question?

Mr. GREEN: Certainly there was no recommendation from the committee that the government take the whole question of increases into consideration and come in the next session with a report. There was never any suggestion of that, and yet it is what Mr. Henderson is asking in his amendment.

Mr. JUTRAS: If we had passed your motion made in 1948 in the first week of the committee, and if we had sent it to the government, do you think we would have got the 25 per cent increase in pensions?

Mr. GREEN: I will tell you what I think: they never would have got the 25 per cent increase in pensions if there had not been a persistent demand made upon the government that there should be that increase—

Mr. JUTRAS: That is my point.

Mr. GREEN:—right through the committee sittings; and eventually the government made the third increase.

Mr. JUTRAS: That is my point but the fact is that there was not an immediate request at the time; the fact is that the committee kept at, that a majority of the committee kept the discussions going—and did not allow your motion to come up at the time.

Mr. GREEN: Well, if the majority of the committee took the position today that there should be an increase in the basic rate of pension at this session, I have no doubt whatever that we would get that increase—that the veterans would get that increase.

Personally, I would appeal to the members of the committee to take that stand. If they do these pensions will be increased and not only will the hardship

cases be covered but the principles of pension legislation will remain intact. After all, timing is of such great importance in dealing with this question. The Legion and the National Council have each taken the position that as long as there is an increase in the basic rate granted they would have no objection to having some amendment made to the War Veterans Allowance Act—to deal with some of those cases which this item is supposed to cover. However, the Legion and the National Council both must, of necessity, in fairness to their members and to the veterans bodies in Canada, put up the toughest fight they can to preserve those two principles in pension legislation which cannot be disputed by any member of this committee.

The CHAIRMAN: And neither are they challenged.

Mr. GREEN: Well, Mr. Chairman, these great veterans organizations, and those of us who have been opposing this plan of the government, are convinced that these two principles are challenged. The first principle is that the pension is something which has been earned.

The CHAIRMAN: We all agree on that.

Mr. GREEN: And is a payment as a matter of right. That questions of need must never enter into the picture at all. The second principle is that there must be a standard of pensions set which will give the 100 per cent pensioner at least subsistence.

The CHAIRMAN: That has never been established.

Mr. GREEN: We hear Mr. Croll today, experienced as he is both in veterans' legislation, veterans committees, and also as a holder of an executive position in the Ontario government, making quite unwittingly, a statement which points out the weakness in this whole situation. He said he was pleading with us to get this vote over; to get it through in a hurry so that these poor veterans would not suffer; he said this year it is a \$2 million vote and only 6,000 men are going to benefit by it—

Mr. CROLL: No.

Mr. GREEN: But he says that next year it may be 9,000 men—

Mr. CROLL: No, no.

Some Hon. MEMBERS: No, no.

Mr. CROLL: Mr. Chairman, on a point of order: you must not misquote me, Mr. Green. I said the suggestion is that 6,000 men will get \$2 million but it may be that 9,000 men get \$5 million; not 'next year'—I did not say that. I said this year, and I never mentioned next year.

Some hon. MEMBERS: Withdraw, withdraw.

Mr. GREEN: Well, Mr. Croll knew the vote was \$2 million and he knew that only 6,000 were going to be helped this year.

Mr. CROLL: No, no.

Mr. GREEN: Then he went on to say that soon it may be 9,000 men and the vote may then be \$5 million.

Mr. CROLL: No, I did not say that. I rise again on a point of order. I did not say any such thing. What I said was it was suggested here that there may be 6,000 people who will get the benefit of this vote, and the government has indicated that there is a vote of \$2 million, but there may turn out to be 9,000 people getting \$5 million in that vote. That is what I said.

Mr. GREEN: Mr. Croll did not say 9,000 people getting a \$5 million vote under this item. He said no such thing. He knows just as well—

Mr. CROLL: That is what I said.

Mr. GREEN: He knows just as well as we do that the vote is for \$2 million. Certainly the effect of what he said was that next time there may be 9,000 and the vote may be \$5 million.

Mr. BENNETT: I would never have thought of that interpretation. It never entered my head until you mentioned it.

The CHAIRMAN: And I do not think it entered anyone else's head.

Mr. JUTRAS: The record will show.

The CHAIRMAN: With respect, I suggest that we get back to the discussion.

Mr. GREEN: That just goes to show the kind of thinking in this item 650. It is thinking of need and hardship—just the same thing which was contained in the remarks made by Mr. Stewart, and the other day, in the remarks of Mr. Mott. They are thinking of a handout for hardship cases, while the rest of us are saying there should be basic increases across the board. In that way too the hardship cases will be taken care of.

Now, if the proposal made by General Pearkes is followed, then we get consideration of both the increase in the basic rate of pension and the item 650 for \$2 million; we would keep them both intact until a decision is made. We do not spoil all chance of getting the basic increase by letting the vote of \$2 million be dealt with at first. We will be maintaining these two principles but we will be keeping out of pension legislation—or if the chairman objects to that, out of the whole pension machinery—any question of a means test; and that certainly is of great importance.

Then, Mr. Croll said himself earlier in the proceedings—and I have his quotation here at page 135—

Mr. CROLL: Did I deny that?

Mr. BROOKS: It is written down, Dave.

Mr. CROLL: Read it; read it.

Mr. GREEN: At page 135 he was cross-examining Dr. Lumsden I think it was. Near the bottom of the page:

Well, for the moment, speaking for myself, I think perhaps the committee agrees with what you say—that anything we do here should not take the place of a basic pension.

If we take the action proposed by General Pearkes we are preserving the principle that a pension is as of right and that it is earned. We maintain a standard of payment which is based on wages and the cost of living and we continue the incentive of the pensioner to carry on with his job, to try and get whatever work he can and to make whatever money he can, knowing that by so doing he does not interfere with his pension.

There has been some talk about no representations being made in support of actions such as covered by General Pearkes' amendment. I have had quite a few cards from members of the tuberculosis veterans section, branch No. 44 of the Canadian Legion in Vancouver about this very matter.

The card reads this way: "As a member of the Vancouver TVS branch No. 44, Canadian Legion, BESL, I request that you give your utmost support to the brief presented by our dominion command officers to the parliamentary committee on May 17 last and in particular your support of the following:

1. Extension of terms of reference of the parliamentary committee as outlined in the telegram sent to you by the B.C. provincial convention on May 21 last.
2. Protest against the establishment of an unemployability assistance fund to disability pensioners and urge the carrying out of the requests made in the Legion brief.

Those are veterans suffering from tuberculosis most of whom would be in the group which is covered by the vote which is proposed, and yet they are making this recommendation against the unemployability grant.

Today the editorial in the *Legionary* has been read and I have no intention of repeating it, but that editorial sets out clearly the policy of the Canadian Legion.

The National Council took a very strong stand here; they took practically the same stand as the Legion.

In the publication which is issued by the Army, Navy and Air Force Veterans in Canada we find this leading editorial in the issue of June, 1951. It came in just a day or two ago. It was a front page editorial, headed "Stop, look and listen":

Two major groups of Canadian veterans presented briefs to the Parliamentary Committee on Veterans Affairs during the month of May—the Canadian Legion on May 17, the National Council of Veteran Associations on May 23.

The separate briefs expressed curiously similar sentiments—dissatisfaction with a plan of "supplementary allowances", offered as an alternative to an over-all raise in the basic rate of pension, which would have been a frank recognition of an obvious need created by a drastic rise in living costs.

The humiliation of brave men reduced to the status of petitioners was not pleasant to see. But the real humiliation is that endured by a government faced by a solid front of unanimous veteran rejection of a so-called supplementary allowance, offered to them, instead of the decent compensation which their services to their country justified.

The veterans made no exorbitant demand. The government of Canada has made only niggardly and parsimonious gestures.

Somehow or other we think there is something more here than meets the eye. We cannot believe that the government of Canada inclines to meanness or enjoys petty trafficking over paying just debts. Our honest conviction is that members of the government, many of them topflight statesmen, have been badly advised and are just being stubborn. And we think the bad advice is being offered by departmental bureaucrats (treasury or other) suffering from a distorted sense of their own functional importance.

We don't subscribe to the prevalent theory that a bureaucrat is necessarily sinister.

The CHAIRMAN: I am sorry that smile does not show in *Hansard*—but we are all smiling.

Mr. GREEN: "He is a public servant and doesn't become sinister till he attempts the role of master. Then he is deadly. The dangerous bureaucrat is the one whose viewpoint is distorted from looking through the wrong end of the telescope. He makes a bad adviser."

Finally, and this is the last paragraph:

We don't know how good our own advice is. But we are offering some to the Canadian government. This is it: Please remember that veterans are not a political bloc. They do not wish to become one. They have able spokesmen, men like Baker, Watts, Wickens, Lumsden, Lambert—to name a few. But these men are Canadians, first, last and all the time. They don't want to lead pressure groups or lobbyists to Ottawa. But you are going to force veterans into a pressure group unless you relieve some of that pressure and give the veteran a little of the justice he believes in and fought for.

It is still not too late.

Mr. CROLL: Do you agree with the editorial, Mr. Green?

Mr. GREEN: Yes, certainly.

Mr. CROLL: And with what they say about bureaucrats and departmental heads?

Mr. GREEN: About which?

Mr. CROLL: About department heads?

Mr. GREEN: Now, Mr. Croll, you are not going to drag me into that.

Mr. CROLL: I asked the question: yes, or no?

Mr. GREEN: My experience with the civil servants in Ottawa is that they are excellent men doing a good job.

Mr. MOTT: They framed a good resolution here.

Mr. GREEN: I beg your pardon?

Mr. MOTT: They framed a good supplementary vote and this bill they brought in.

Mr. GREEN: I do not see how anyone can laugh off the evidence given here by Padre Lambert. There is a man who has given a terrible lot for this country—with Eddie Baker—two of the biggest Canadians I have ever known. I have seen them come here time after time to make representations. There was never the slightest indication of partisanship or pettiness by either of those men. Incidentally, they are men who have overcome tremendous handicaps ever since they were wounded in the first war.

Here is Padre Lambert who has for so many years been president of the War Amputations of Canada making remarks like these to be found on page 111 and 112. He said: "You bring in this supplementary allowance; it is not a bill but it is some kind of an estimate, and we consider this as another contribution to the poverty of the veterans, I would say, and we do not like that. We like to have things by right, and pensions are by right."

Then he says, further down:

After all, we were given the job in co-operation with the government and the Department of Veterans Affairs, to take these disabled fellows as they came back from two wars and try and fit them in some place, and that is what we have tried to do. Our job in our organization has been to fit them—fragments from the wars—into places where they can still continue their service and be able to do a little job. Now, that is what we have tried to do and have tried to do it well, and most of them by luck and by the kindness of the dominion government and the provincial governments and civic governments and by the graces of good firms, have been fitted into places where they can maintain a very high standard of self respect at least. I do not know what you want to make them. If you want to make them all paupers go ahead. We do not like it; we are not approving of it anyway. That is how the amps feel about it.

We are talking to you about fighting men, about men who have been in contact with the enemy in two wars and now in three wars, and I feel somehow that Canada owes them a great deal more than she thinks she does. We are trying to get them out of the poverty class. We are trying to keep them sweet and kindly in this country and this suggestion is something that makes me see red and I hate to see red, I really do. I consider myself one of the patriots of the country and I try to perpetuate the patriotism that made these veterans go to war. I feel we have been let down pretty badly.

And then he said:

We do not want any handouts. As far as I am concerned you can keep it, but make the basic rate what it should be and then we will know where we stand. That is how we feel about it. If you base the thing on

the cost of living and we find that the cost of living is away up then the proper thing to do is to raise it in accordance with that cost of living figure.

Now, here is a chance to do something along the line Padre Lambert has suggested. Let us make it clear to the House and to the government that we think that this basic increase in pensions must be dealt with at the same time that consideration is given to the unemployment allowance. Let us keep the two things right there before us and before the government. If this committee will take that step I believe that we will get results and that we will still get this basic pension increased at the present session, and we may get an increase in the War Veterans allowance. That is exactly what General Pearkes' amendment will make possible if it is adopted by this committee.

I would hope that it would be possible for us to get the support of the majority of the members of the committee for that subamendment for the reasons I have given.

The CHAIRMAN: Are you ready for the question?

Mr. PEARKES: May I just add a word. I am not going to repeat any of the remarks about the principles, I just want to refer to what I consider is the urgency of this matter.

It is urgent from the point of view of the veterans but it is affected by the fact that we have this committee in session during this session of parliament. When this session of parliament is over there will not be this committee. This committee automatically ends with this session of parliament. Now we have a month more of the sittings of this parliament. Then parliament adjourns, according to the Prime Minister's statement, until early October. There would be that period of time in which the government could consider the legislation which we are proposing and, on the first day of October or whenever we are called to meet, the government could introduce the legislation which is now being suggested.

So, I say there is time to do this. The government might have to alter its plans a very little bit, but on the first day that we come together again after the adjournment this legislation could be given to the House.

Mr. CROLL: May I just say with respect—

Some Hon. MEMBERS: Six o'clock—

The CHAIRMAN: Is it the desire of the committee to adjourn?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Before adjourning may I say that we were not able to meet on Monday and I agreed to refer the matter to the committee. Is it your desire that we catch up by sitting tomorrow afternoon at 4 o'clock?

Mr. QUELCH: External Affairs sits tomorrow afternoon.

The CHAIRMAN: There are five committees sitting today. It is completely impossible for us not to clash.

Mr. CROLL: Do you not think it is important—I should not put it that way, but I will merely say I think it is important that we reach a conclusion on this rather than leave it and let further time run on. We might as well miss one meeting of External Affairs. I am a member of that committee. Let us deal with this problem as quickly as we can so that the government can take action.

The CHAIRMAN: Is it agreed that we meet tomorrow afternoon at 4 o'clock?
Agreed.

The committee adjourned to meet again tomorrow, Wednesday, June 6, 1951, at 4.00 p.m.

Doc
Canada Veterans Affairs, Special
Committee on, 1951

SESSION 1951

HOUSE OF COMMONS

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SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

CHAIRMAN—MR. L. A. MUTCH

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

WEDNESDAY, JUNE 6, 1951

WITNESSES:

Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs.

Mr. J. L. Melville, Chairman, Canadian Pension Commission.

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1951

MINUTES OF PROCEEDINGS

WEDNESDAY, June 6, 1951.

The Special Committee on Veterans Affairs met at 4 o'clock p.m., the chairman, Mr. L. A. Mutch, presiding.

Members present: Messrs. Bennett, Blair, Brooks, Carter, Corry, Croll, Cruickshank, Dickey, George, Gillis, Goode, Green, Harkness, Henderson, Herridge, Hosking, Jutras, Larson, Lennard, McMillan, McWilliam, Mott, Mutch, Pearkes, Quelch, Richard (*Gloucester*), Roberge, Stewart (*Yorkton*) Thomas, Weaver, White (*Hastings-Peterborough*).

In attendance: Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs; Mr. J. L. Melville, Chairman, Canadian Pension Commission.

The committee resumed consideration of Mr. Croll's motion that Item 650 of the Supplementary Estimates carry and be reported;

And of Mr. Henderson's motion in amendment thereto, that the said motion be amended by the addition of the following words:

with the recommendation that the Government give further consideration to the representations submitted to the government and to the committee, that the basic rate of pensions for all pensioners under the Pension Act should be increased;

And of Mr. Pearkes' motion, in amendment to the said amendment, that all the words after the word *give* be deleted and the following substituted therefor:

consideration to introducing legislation during the present session of Parliament which will give effect to the representations submitted to the Government and to the Committee that the basic rate of pensions for all pensioners under the Pension Act should be increased.

At 4.10 o'clock p.m., the Committee was interrupted by a division in the House.

At 4.35 o'clock p.m., the Committee resumed.

After discussion, and the question having been put on Mr. Pearkes' sub-amendment, it was negatived on the following division:

Yeas: Messrs. Blair, Brooks, Gillis, Goode, Green, Harkness, Herridge, Lennard, Pearkes, Quelch, Thomas, White, (*Hastings-Peterborough*), (12).

Nays: Messrs. Bennett, Carter, Corry, Croll, Dickey, George, Henderson, Hosking, Jutras, Larson, McMillan, McWilliam, Mott, Richard (*Gloucester*), Roberge, Stewart (*Yorkton*), Weaver. (17).

And the question having been put on Mr. Henderson's amendment, it was agreed to unanimously.

After discussion on Mr. Croll's motion, as amended, Mr. Quelch moved, in amendment thereto, that the said motion, as amended, be further amended by the addition of the following words:

That Item 650 do not carry until consideration, as set out in the motion as amended, has been given by the Government.

The Chairman ruled Mr. Quelch's amendment out of order on the ground that it denies the proposed purpose of the motion as amended.

After further discussion on Mr. Croll's motion, as amended, Mr. Herridge moved, in amendment thereto, that the said motion, as amended, be further amended by the addition of the following words:

That further consideration of Item 650 be deferred until the Government has had an opportunity to give consideration to the latest representations from the Canadian Legion and the National Council of Veterans urging an increase in the basic rate of the disability pension.

The Chairman ruled Mr. Herridge's motion out of order on the ground that the Committee has no power to attach a condition to an item of the estimates when reporting to the House.

And after still further discussion and the question having been put on Mr. Croll's motion, as amended, it was agreed to on the following division:

Yeas: Messrs. Bennett, Carter, Croll, Cruickshank, Dickey, George, Goode, Henderson, Hosking, Jutras, Larson, McMillan, McWilliam, Mott, Richard (*Gloucester*), Roberge, Stewart (*Yorkton*), Weaver (18).

Nays: Messrs. Blair, Brooks, Gillis, Green, Harkness, Herridge, Lennard, Pearkes, Quelch, White (*Hastings-Peterborough*) (10).

By leave of the Committee, Mr. Croll moved that the Committee recommend that the Government give consideration to amending Item 650 of the Supplementary Estimates by the addition of the following words:

such financial assistance to be exempt from income tax under the provisions of the Income Tax Act.

And the question having been put on the said motion, it was agreed to.

At six o'clock p.m., the Committee adjourned until Thursday, June 7, at 11 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 6, 1951.

The Special Committee on Veterans Affairs met this day at 4 p.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Gentlemen, when the committee rose yesterday we were discussing the amendment of Mr. Pearkes to the amendment of Mr. Henderson to the motion of Mr. Croll. Mr. Croll has just signified that he wished to speak to that amendment.

Mr. CROLL: Mr. Chairman, I do not want to misquote anybody, but I did understand General Pearkes to say—

The CHAIRMAN: Excuse me, Mr. Croll. Some four years ago this committee, all of us being former service men, entered into a self-denial ordinance that we would not use military ranks; it was easier for some of us; but at our last meeting General Pearkes, who is ordinarily not sensitive of these things, indicated that he had been generalled nearly to death; and we agreed that we would revert to the ordinary nomenclature of the House of Commons and address each other as mister, which is a good sound title.

Mr. CROLL: I have to be forgiven; I served under General Pearkes.

Mr. PEARKE: And it was a very happy service.

Mr. CROLL: To me he will always be General.

I understood him to say before he sat down that he thought it was the better part of wisdom to let this matter rest until October—I do not want to misquote him—or until the fall session. Let me say again that I do not want to misquote him, but in view of what had already been said—that, of course, is the purpose of this resolution—let me say this: the original brief of the Canadian Legion was presented in November 1949. A decision was then made. Now—

Mr. GREEN: 1949?

Mr. CROLL: 1950. A decision was then made by the cabinet, or sometime after that.

Now, since that time this committee has been constituted, and this committee is adding something new to the recommendations of the Legion brief that was presented at that time—we are adding a committee view which I feel sure will be a unanimous view.

I think that a few members here put the matter very well indeed. I think Mr. Jutras, particularly, placed the matter before this committee well, and he emphasized the matter of method.

I believe we have to ask ourselves this question: What are we interested in? Are we interested in getting the right answer or are we interested in getting a quick answer? I think timing is very, very important.

I want to revert for one moment to what Mr. Gillis said. Mr. Gillis said that this was not a bill; that it was a vote. That is exactly the argument I presented earlier, at a meeting on a previous occasion. If this had happened a couple of years ago it would have come to this committee as a dollar item, but the Auditor General has taken exception to that and has said that he does not like these dollar items, and so we asked that it be specified. It may be, of course, if the department had put it in as a dollar item you would have heard across this country an awful squeal to the effect that one dollar was being given and that

that was the full extent of the item to the veterans of this country. The present item is one for \$2 million. It is suggested that 6,000 people may benefit from it. Now, that is undoubtedly what the administrative personnel have told the minister. On the other hand, we have indicated to the administrative personnel here time and time again that we want this matter administered in some way, or in some fashion, by a humanitarian method, so that it reaches the greatest number of veterans.

It may well be, gentlemen, that it will turn out that 10,000 veterans will benefit from this item and it may cost \$4 million, in which case you will vote the other \$2 million probably at a later session.

Now, some emphasis was laid here by a few members who implored us not to break that principle. May I say this—I do not think I will be contradicted—this government has the best possible record with the veterans of any government in the history of this country, certainly within my own lifetime, and the charter which we drew up for the veterans of Canada speaks for itself, and there is not the slightest bit of evidence that there is any retreat by this government and certainly not by this committee.

MR. LENNARD: It so happened that they were the government at the time the charter was brought down. Any other government might have done as well.

MR. CROLL: I do not know what any other government might have done; I am telling you what this government did.

MR. LENNARD: The veterans' committee made the recommendations.

MR. CROLL: Of course they did, but it so happens that this government is in office as it was in office for the old age pension for which they got credit. If you had been in office you would have got credit. Things like that, like lightning, do not strike that often.

Now, let us see if the government is retreating. The purpose of one of the bills presented to this committee will be to double the pension of children of pensioned widows; and this committee will be asked to deal with that matter particularly. Is that a retreat by the government from its former position? Not only that, but at the present time we have the means test for pensions to boys of 16 and girls of 17 who are attending school and pursuing higher education.

(The committee adjourned for a division in the House.)

(On resuming)

The CHAIRMAN: Gentlemen; I believe the ten minutes which I promised the members to get back has elapsed. Would you like to continue, Mr. Croll?

MR. CROLL: Mr. Chairman, just before my colleagues here were favoured by the bell, I was at that time saying that there is some legislation to be presented to this committee. The purpose of one Bill is to double the pension on behalf of children of pensioned widows. There is another bit of important legislation coming before this committee: at the present time boys of 16 and girls of 17 are entitled to draw pensions when they are undergoing education, provided the parents are without adequate resources to keep the children in school. In other words, there is a means test. Now, the legislation will be presented to this committee at this time—

MR. PEARKES: Mr. Chairman, is this in order? It is very interesting, but I do not know what it has got to do with the subamendment or with 650.

MR. CROLL: Well, I am directing myself to the statements made here about the means test, and that is what it is. What I am saying is, in effect, this is a means test that is now imposed and it is proposed that this committee now do away with that means test; and I merely carry the argument further to indicate that neither the government nor the members of this committee are means test minded, nor will they permit a means test to remain if they

can possibly do away with it. That is my argument; and the legislation is to provide that as long as the children remain in school and do satisfactory work, the father and mother will continue to draw pensions until the children are 21 years of age.

Something was said about \$22 million: I think Mr. Green said the Treasury Board will be the deciding factor.

MR. GREEN: I think Mr. Cruickshank said it.

MR. CROLL: No, no. Well, some member here said that the Treasury Board will be the deciding factor. Let me say this, and I think I speak for all my colleagues in connection with this, that none of us feel that \$22 million is a measure of the value of the service given by these pensioned veterans. None of us are trying to measure up money at this time, or any other time. Service cannot be measured in that sense. In so far as the government is concerned, I feel they take the same attitude. I would very much like to ask the members of the committee to have a unanimous resolution for its effect upon the government. We are anxious to have it, and I think you will find on reflection it will serve the interest of the veterans if we have such a resolution. If we pass Mr. Henderson's amendment I think we can do it unanimously, and present it immediately to the government. I think the government is entitled, owing to the pressure of business, to a little time to give this matter serious consideration. It is not a matter that can be dealt with in a day because it is a continuing matter, and for that reason the government is entitled to a little bit of time to give it consideration; and, since we are having a fall session, it would not be unreasonable to give them enough time so they may deal with this matter when the fall session is called in September or October.

MR. PEARKES: Mr. Chairman, I have not got the record of what I did say last night, but I think Mr. Croll used certain words I am not in the habit of using, so I do not think he quoted me correctly. What I was endeavouring to point out last night was that there will probably be another four weeks before the House adjourns and then the House will adjourn to re-assemble again, as the Prime Minister said, probably for one day in October. So this session really continues on from now until one day in October, and it is possible that legislation might be brought down then after the government have had that time to consider it. I think that was the purport of my remarks last night.

MR. GILLIS: May I ask a question, Mr. Chairman? We have got a motion by Mr. Croll that item 650 be reported. You have got an addition to that motion by Mr. Henderson that we ask the government to give consideration to increases in the basic pension. That is not an amendment to Mr. Croll's motion: it is an addition to it.

The CHAIRMAN: It is amended by adding the following words—

MR. GILLIS: Mr. Chairman, do you intend to take two separate votes on that question?

The CHAIRMAN: As the motion and amendment and subamendment are presently constituted three votes will be required. One on the subamendment, one the amendment, and then a vote on the motion as amended. That is the procedure which we all desire to follow and, if we did not, it is the procedure we would have to follow.

MR. McMILLAN: Mr. Chairman, and gentlemen, before Mr. Brooks' amendment was put the other day it was said by some that if the amendment carried for an enlargement of the terms of reference, we would probably not get it back this session. It was said by others that if it came into the House the parties would agree; there would be no debate, and we would get it back smartly—something to that effect.

Gentlemen, I am a new member of this committee and of the House of Commons, and to me, certainly, that would seem a miracle. I have been in the House of Commons for a short time and certainly anything I have seen coming up there has certainly been in slow motion—probably that is the way things should go. I am interested in seeing these men get their \$2 million this year. I know some of these pensioners, and I think they are in need, and I think we should help them now. I would hate to see any restrictions attached to that amendment, because it has been suggested that if any restrictions went to the House, why, there would be a hold up, and therefore I will vote for the amendment.

I heard Dr. Lumsden say that pensions were connected with the wages of the manual worker. In connection with that, since I am not very conversant with pensions, I would like to ask a question or two, particularly in relation to the lower percentage pensions. Does a certain percentage pension represent the lack of earning power in the labour market, or does it represent a lack of earning power in the former occupation? That is one thing I have not got clear.

The CHAIRMAN: Perhaps Mr. Melville might answer that now.

Mr. MELVILLE: A disability pension is compensation for the lack or lessening of the power to will or do the former physical or mental act. That is the definition in the Pension Act. It has no relationship to the occupation the pensioner had prior to his enlistment in the forces.

The CHAIRMAN: Are you finished, Mr. McMillan?

Mr. McMILLAN: Yes.

Mr. BLAIR: Mr. Chairman, I am going to say that this is the first time in many years that I have found myself at variance with one of my professional colleagues—I listened to this whole debate here with a lot of interest. I did not want to be biased in any way at all, and I heard yesterday a lot of argument about this editorial in the Canadian Legionary. I had read it over prior to coming here yesterday, but last night I read it again, and I was impressed with some of the sentences in that editorial, because yesterday some exception was taken to some of the words in that editorial, and I also connected that up with the fact that the Legion had made a presentation to the powers that be last fall to have something done about the position in which pensioners found themselves, and then with that in my mind I went back and re-read the editorial in the Canadian Legionary. I am not going to say anything about the words that were used there: there were words about “icy cold heartedness” and “dictatorial attitudes” which, to those who are sensitive regarding the government, might have hurt a little bit, but I connected that with the fact that last fall they had made certain requests to the Department of Veterans Affairs, and I read this sentence, after passing over those words—and this has been quoted several times in the course of this debate in Committee.

Its palliative—an ‘unemployability supplement’ to some 6,000 totally incapacitated pensioners—completely ignores the remaining 160,000 disability pensioners. These, as far as the government’s present intentions are concerned, are to be left out of the picture entirely, to struggle along as best they can—as are the burnt-out men on war veterans’ allowance—no matter how high the cost of living has gone up.

I can understand why this title “A Burning Issue” was placed in the Legionary, and I can also understand why he used, you might call it “lurid language” or you may call it “superlative”.

The CHAIRMAN: “Abusive”.

Mr. BLAIR: I am not saying “abusive”.

Mr. LENNARD: I do not think the chairman should interject the way he does when a member is speaking.

Mr. BLAIR: I said "superlative". Editorials across the country in the best papers use language of that type in order to draw attention to something, and I suppose the editor of the Legionary used the same technique. The Legion applied last fall, and did not get anything, so they are making a strong blast. I was much impressed with this editorial, as I was with the little cartoon at the bottom: I would recommend that you have a look at that.

Mr. BROOKS: Is that Mr. Mutch's picture?

Mr. BLAIR: No, that is not much like Mr. Mutch.

Now, the attitude of some of the members of this committee has been: "they should not say things like that about us. They should not say things like that about the government. We gave them certain things." Now, pensioners are not in the class of people who are coming looking for charity, and I have always maintained that governments never give people anything. They may introduce legislation, but you pay for it in taxes. I have always resented the attitude that the government gives you things. You pay for them. However, yesterday I listened with a great deal of interest to this whole debate, and I came to certain conclusions, and one thing that impressed itself on my mind, no matter how much argument there has been in this committee about it, is that there is introduced into this legislation a new principle so far as pension legislation is concerned; "need" instead of "disability". This is the first time we have had that. You are going to deal with 6,000 people, 6,000 disabled men in place of 160,000, and that seems to me to be an attitude that you pick out 6,000 people and say "I am going to give this to you, but not to you". I do not like that attitude. That is the way it appeals to me. You have picked one group and said, "we are going to look after you".

Now, the next thing in discussing this—and I have raised this question twice before—is the difficulty in administering this word "unemployability". I again warn the committee that this is the most difficult thing that has ever been undertaken in pension legislation or any form of legislation of this type, because remember with those veterans of the first war, as I told you the other day, age has become a factor outside of disability. I am speaking in this as a doctor, and I am sure Dr. McMillan will agree with me, that when you get age and disability in a man coming up to you for examination, it is a difficult thing to decide which is the determining factor. After all, whether it is a civilian doctor, or an army doctor, or a doctor appointed by the Pension Commission, that matter will have to be dealt with. Personally, I would not like to be the judge in the case of a man coming up under those conditions, to declare him employable or unemployable, when you get age entering in as a factor.

Mr. Croll spoke about the record of the government: I am not going to talk about performance. If I believed in the record of the government, I would not be sitting in the opposition. You must remember this: this thing you are offering is only a promise of a recommendation to the government for future legislation. The next session is going to bring further expenditures; of that we are fully aware; expenditures for defence; the whole question of old age pensions. There is no doubt that matter is going to come up, but I look on these veterans as Canada's number one priority citizens to be looked after. These are the men who have actually suffered and won their citizenship by service. I do not see how you can ignore a raise in veterans pensions on the presumption that the cost of living may go down. These people are faced with this economic situation at the present time, and they are having a hard time; there is no doubt about that. To assume such an attitude as that is like Micawber waiting until something turns up. You might say, in speaking as a doctor to the patient, "You are terribly sick now: you are very terribly sick, and I admit it, but if you hang on until next fall I will see about giving you a little medicine". I cannot see anything else to it but that. So, I will not

support a policy like that which says: "let us give this supplement to the 6,000, and then sometime in the future we are going to try and look after another 160,000 pensioners who are also in need". The answer so far as that is concerned, is that there is a large number, not all, but a large number of your 160,000 requiring help, and on top of that you have those who are on veterans allowance; and there is not any person here who will even argue that people on veterans allowance are getting sufficient to live on.

The CHAIRMAN: Excuse me, I think we had better confine ourselves to the subject which is before us.

Mr. BLAIR: I was speaking, sir, of the condition of the veterans, but I will drop the matter of the war veterans allowance. However, there are men in the same position who are very largely dependent on pensions. I noticed a number in one unemployment office in my own constituency and the local papers say many of these people have disabilities. They are unemployable to some degree, but the people in the unemployment office are having to deal with them. Your veterans of the first war are in that position. They are all in that position now, and especially the 160,000 pensioners. If you need any further answer to that argument go sometime to a Legion parade or some function where returned men parade, and you will see them. Quite a few are first war veterans—you can see a picture of ourselves passing, if you happen to be on a stand—and they are getting a little older all the time, and you can see it as the years go by. So, I cannot for that reason—taking these veterans as a cross section in dealing with these 160,000—I cannot feel that this is proper legislation, to deal with 6,000 and leave out 160,000.

Then, the argument has been put up here: "Are you going to walk away, and are you not going to deal with these 6,000? Are you not going to do something good for the 6,000 and give them \$2 million?" I have given the answer to that. You are walking out on 160,000 who need some form of help. You cannot afford to leave this until the fall so far as this committee is concerned. I do not see any reason why, if this situation were placed before the government—and it would be largely up to the committee to sell this argument to the government—we could not say: "We find this is the situation: not just a small portion of these people, but the whole 160,000 require help. They are faced with trouble and the high cost of living, and are finding it difficult to get along, and these 6,000 do not include all the pensioners of the first war where age is a contributing factor".

I do not see how you can leave them out; and for that reason I cannot vote for this one small group, or take this attitude: "I am going to give it to you and let you do the best you can".

The CHAIRMAN: The question, gentlemen, is on the subamendment moved by Mr. Pearkes in amendment to the amendment. Are you ready for the question?

Mr. CRUICKSHANK: Mr. Chairman, would you read the subamendment?

The CHAIRMAN: Yes, I beg your pardon. I will go through the procedure: there is an original motion by Mr. Croll that item 650 of the supplementary estimate carry and be reported, to which Mr. Henderson moved in amendment that the said motion be amended by the addition of the following words: "With the recommendation that the government give further consideration to the representations submitted to the government and to the committee that the basic rate of pensions for all pensioners under the Pension Act should be increased". That amendment having been accepted, Mr. Pearkes moved in amendment to the amendment that all the words after "give" in the amendment be deleted, and that the following be substituted therefor: it would then read, "with the recommendation that the government give consideration to introducing legislation

during the present session of parliament which will give effect to the representations submitted to the government and to the committee that the basic rate of pensions for all pensioners under the Pension Act should be increased". The question is on the amendment of Mr. Pearkes to the amendment of Mr. Henderson. Those in favour of the amendment to the amendment will please rise.

Mr. BROOKS: Could we have the vote polled, Mr. Chairman?
(At this point a poll was taken)

The CHAIRMAN: I declare the subamendment of Mr. Pearkes lost on a vote of 12 to 17.

The question is now on the amendment of Mr. Henderson.

Mr. CRUICKSHANK: Mr. Chairman, may I speak very briefly? I did not vote on the subamendment and I do not intend to vote on the amendment. I want to have the record clear, and I offer no apology and no excuse. Unfortunately I was detained and could not attend the discussion on the amendment or the subamendment and for that reason I want to explain that I cannot vote intelligently one way or the other, and I intend to refrain from voting on both the subamendment and the amendment.

The CHAIRMAN: The question, gentlemen, is on the amendment. Those in favour of the amendment will please rise. The clerk reports unanimous acceptance of the amendment. The question now, gentlemen, is on the motion of Mr. Croll as amended. Are you ready for the question?

Mr. QUELCH: Mr. Chairman, I think it is very unfortunate that the committee voted down the motion of Mr. Brooks which would have the effect of extending the terms of reference so we could have gone more fully into this increase of the basic pension and the question of the war veterans allowance. As it stands now, we have a motion of Mr. Croll, amended by Mr. Henderson, which means we have a motion for the purpose of endorsing a government estimate, and the effect of the amendment is that the committee makes a recommendation to the government which, I suppose, would infer that the government could increase the basic rate of pension. In so far as the first is concerned, of course, the government have the power, and will unquestionably put the estimate through if it is endorsed by this committee and endorsed by the House. On the other hand, just because this committee makes a recommendation that the government consider the recommendations of the Legion and the National Council of Veteran Associations on an increase of the basic rate of pensions does not for one minute mean the government are bound to accept the recommendation. We know from past experience that many recommendations have been made by this committee which have not been adopted by the government. That has happened time and again. It seems to me that if the government are prepared to accept a recommendation to increase the basic rate of pension along the line suggested by the National Council of Veteran Associations and the Canadian Legion, then there is no need for passing item 650. Some of the government members have told us the purpose of that item is to relieve cases of distress. On the other hand, we know that a large number of cases of real distress will not be relieved at all by the passing of item 650, because disability pensioners in the lower category who are suffering less than the 35 per cent disability, if single, and 45 per cent if married, will not get any help under that item at all. Do not forget that because a man is classified as a 10 per cent disability pensioner it means that that is the extent of his disability. That man could be suffering 100 per cent disability, but not recognised by the pension commission because it was not incurred as a result of military service, and he will be drawing the war veterans allowance. I believe men in that class are the

men who today need consideration. Under this proposal no consideration can be given to that class. Mr. Croll referred to item 650. Well, I regard item 650 as a trial balloon—a trial balloon on the part of the government to see what the reaction of this committee and the House and the veterans organizations is to a proposal to limit the increase of pension to—or tie, rather, the rate of disability pension to unemployability or employability, or need.

It is all very well to say, "this has nothing to do with the Pension Act"; that is true. Nevertheless in dealing with the question of an increase in pension, for the first time we are bringing in the question of unemployability. This is a new principle. At the same time you recall that the minister spoke to this committee and he told us there was now growing up a different attitude towards the ability of a disability pensioner to work. Then, I say you are almost bound to tie that statement to item 650 and look upon this as a result of that change of attitude towards the disability pensioner, that now the government feels that a disability pensioner who can work and does not need to have the same amount of pension as one who cannot work. If this item is endorsed by this committee and by the House and by the veterans organizations, I would expect in a short time that legislation would be introduced to tie a disability pension in with the question of employability. I think that is a real danger, because, the minister himself says that there is a change of attitude on this question; and it is very unfortunate at the very time he made that statement the minister should be introducing an item such as 650.

I am satisfied that if the government decided to make an increase in the basic rate of pension they would have to change, or they would change, this item 650, and in all probability I would imagine that if they did decide to adopt the proposals of the veterans organizations to increase the pensions by thirty-three and one-third percent, then they would drop item 650 and introduce legislation along the line suggested by the veterans organizations tying it to the War Veterans Allowance Act; so that you can take care of all cases of need, and not just those disability pensioners classed as unemployable.

Therefore, Mr. Chairman, I am going to move the following amendment: That the motion be amended by the addition of the following words: "that item 650 do not carry until consideration as set out in the motion as amended has been given by the government".

Mr. CROLL: That is a contrary motion.

Mr. QUELCH: I would point out that this is not a negative motion, because it merely postpones the action of the government. If this were a negative motion, then the same result would be achieved by voting against item 650 but by supporting this amendment you will obtain an entirely different result from voting against 650. You are merely holding 650 in abeyance until such time as the government has had the opportunity to give consideration to the requests of the Legion and, if they turn those requests down, this would be before us for further consideration.

The CHAIRMAN: This is the first notice I have had of this motion, and I will read it: "I move that the motion be amended by the addition of the following words: that item 650 do not carry until considerations as set out in the motion as amended has been given by the government". It is clear to me in reading it in connection with the amended motion that if the proposed amendment of Mr. Quelch should carry it would not then be possible for this committee to make any recommendation to the government, and therefore no consideration could be given to that recommendation; that it is, in fact, a negation, and the same result would be achieved by voting against Mr. Croll's motion; and as such I rule it out of order.

Mr. CROLL: Mr. Chairman, may I ask for the indulgence of the committee in this matter? If you take a look at vote 650, a point which we have missed

is this: At the present time under section 10 of the Income Tax Act pensions paid under the Pension Act are exempt from taxation. I think the committee is well aware of that. It happens that the unemployability supplement is not exempt from taxation. Now, in order to make it exempt from taxation we need to come under section 10. Will this committee agree to permit me to add the following words after the word "unemployability": "such financial assistance to be exempt from income tax under the provisions of the Income Tax Act". I am informed by the legal authorities that that will, beyond question, give them the tax exemption, which we all thought they had. Is there any objection to that?

Mr. BROOKS: As the Income Tax Act is before the House at the present time could not this be attended to under that measure?

Mr. CROLL: No, because the Income Tax Act says they can only deal with the matters—you suggest it be put into the Income Tax Act.

Mr. BROOKS: I would think that as the Income Tax Act is now before the House, and they are considering recommendations, that would be the place to deal with the matter.

Mr. CROLL: No; they say the proper place at this particular time is in connection with this item, which will go into the House.

Mr. BROOKS: I am not objecting to the principle at all; I think it is a proper thing to do. It is just a question of the proper place to bring it in.

Mr. CROLL: That is the suggestion by the legal authorities, that this is the proper place: then it will be a part of the vote when it is passed by the House.

The CHAIRMAN: Do I understand you were reading a proposed amendment to the item itself?

Mr. CROLL: To the item itself, yes; with unanimous consent.

The CHAIRMAN: I will begin my remarks by saying to you that it is the intention of the government to accept such a motion from the committee with respect to income tax. We do not have the power in this committee to amend the item before us. Mr. Croll made a motion before to strike out a certain word, and this motion is in exactly the same form. It will be a recommendation from us, and with the unanimous consent of the committee, I think that we should incorporate this in our report as a recommendation that the government give consideration to amending the item. If you do give that consent, I will accept a motion that the committee make such a recommendation.

Mr. BROOKS: Would it not be better to pass the item first?

Mr. CROLL: You have nothing before you then.

The CHAIRMAN: That is why we need unanimous consent. We have nothing before us, and we are being offered something we want to take advantage of. I am in the hands of the committee.

Mr. GREEN: The other day there was a motion to alter the word "major".

The CHAIRMAN: Yes.

Mr. GREEN: That was a separate motion.

The CHAIRMAN: Yes.

Mr. GREEN: Is that not the way to handle this other suggestion, because it, in effect, is also an amendment? I do not think it should be confused with what is now before the committee. Then you would have the case of one of these things being tacked into the motion before the committee, and the other in the way of a recommendation. I think it would be wiser, perhaps, when we have disposed of the motion now before the committee, to agree, if we can do so, to insert this in the amendment recommending striking out the word "major". That recommendation has not yet gone to the House, and there is no reason why we could not agree to have the two of them together.

The CHAIRMAN: Is my understanding correct that having disposed of this item you would suggest that Mr. Croll amend his original motion to strike out the word—

Mr. CROLL: No. What Mr. Green is suggesting, instead of this, is that after we have adopted the item, I will introduce this as a recommendation, and it will be attached to the item.

The CHAIRMAN: If the committee gives unanimous consent, I will accept that. Then, the question is on Mr. Croll's motion.

Mr. HERRIDGE: Mr. Chairman, before the main motion is put, I want to make a few remarks. When the Canadian Legion and the National Council of Veterans made their representation to the parliamentary committee in 1948 their sole argument was based on increase—the major part of their claim was based on the increase in the cost of living since pensions were previously adjusted, and when reporting the matter to the House, the minister had this to say: "It gives me great pleasure to announce that, following a full and most intensive consideration of the representations made before the parliamentary committee on veterans affairs, and after studying the evidence presented there, the government has agreed to accept the recommendations including an overall increase of 25 per cent in the basic rates under the Pension Act. Honourable members will be gratified, I am sure, by this decision; for the country has shown clearly its opinion that those who have suffered as a result of death or disability from war service should be adequately compensated."

My point in that connection concerns "adequately compensated" because of representations made on account of the increase in the cost of living, which at that time I understand was about 147·9 or 148. The cost of living index today is 181·8, and that is an increase of approximately 34 per cent, and on that basis the Legion and the National Council of Veterans asked for reconsideration of the basic rate of pension, and asked for thirty-three and one-third per cent.

The CHAIRMAN: With deference, I must point out that the committee has resolved the question of basic rate of pension, and we are now on the amended motion to carry and report. I know you would not desire to re-open a matter the committee has just resolved itself on.

Mr. HERRIDGE: I thank you, Mr. Chairman, but what I am trying to say is this: we all agree on the necessity for an increase of the basic rate, and I am sure all members who voted for that will vote for a similar resolution in the House of Commons. We all agree on that, I am sure, but I want to point out that I am speaking with the idea that possibly this committee can give further consideration to this question as to time.

Now, Mr. Chairman, in that respect I want to bring to the attention of the committee, and particularly the newer members of the committee, certain evidence that was placed before the committee in 1948, because I am sure they would like to be fully informed of the general approach; and the general approach to the situation was the question of the increase in the cost of living, and what would be a fair adjustment of the pension; and in that connection I take great pleasure in reading a short excerpt of some remarks made by a gentleman known as Mr. Mutch, and now known as the chairman. It was a discussion as to the question of the increase in pensions, and so on:

Mr. FULTON: Employment has nothing to do with it; we are compensating him for a disability.

Mr. MUTCH: There are two points particularly which the committee has to consider this morning in dealing with this matter. The first is this: if we were dealing with the 100 per cent pensioner solely we would have

practically no difficulty. The second thing is this; we must not get ourselves into the position—we of all people—of regarding a pension as designed to provide a living, adequate or otherwise. The principle intention has always been compensation for disability, and that disability is expressed, first, in his physical condition and, only secondly, in his loss of earning power. There are other methods of compensation for disability such as are found in workmen's compensation; and there is at the present time in some of the provinces an agitation to get a relationship between the rates of workmen's compensation—that is compensation for those who have been injured in their occupation—in terms of cost of living, and in some instances in terms of what a man's labour would bring in the labour market. Primarily, those of you who have lived with veterans and have been actually associated with veterans during the period of the depression will remember how difficult it was to keep our own ranks—that is, the ranks of the veterans—steady on this question of whether or not pension is fundamentally income and the method of providing a living for a man who made a sacrifice, or whether it is compensation for damage.

Now, I am coming to the particular points I want to refer to:

I said in the beginning that if we dealt only with 100 per cent pensioners, and we could presume that the 100 per cent pensioner, by virtue of his 100 per cent, is incapable of placement or even in many instances of actually earning a full living—because the numbers are perhaps, small enough, to be disregarded. However, we have to remember that the vast majority of pensioners are not 100 per cent; the alterations which we make with respect to basic pension are related all the way down to the man with the infinitesimal pension—and we have to take into consideration that fact.

The same as the situation today.

The CHAIRMAN: That is your interjection.

Mr. HERRIDGE:

If we decide that our method of meeting an emergent situation—and I think this is an emergent situation—is that we are going to adopt the practice of fixing a basic level, then the only way of doing that is on the basis of 100 per cent. We have to bear in mind too that in time of prosperity, in times of good wages and labour scarcity—we do relate it to his cost of living. We have to remember that, even though his pension falls substantially below the ordinary cost of living at such a time, the partially disabled veteran has a much better chance of supplementing his pension than he will have at a time when employment is scarce and when during a depression wages are lower and competition is keener. Consequently if we stick to the idea of a fixed basic pension we ought to be prepared to realize this fact.

Now, there the chairman is emphasizing the question of sticking with the idea of a basic pension.

Mr. GOODE: He says, "if".

Mr. HERRIDGE: He is in favour of that as against a sliding scale.

Now, I know that for the 100 per cent pensioner or the 70 per cent pensioner who is barred by virtue of his disability from earning anything at all, this does not help him very much, but he is the minority; and we cannot base our final decision on a minority only.

I would like to point out this committee is being asked to support this estimate on the basis that a minority are in need.

The CHAIRMAN: By whom are they being asked to do that? That again is an assumption reiterated but not admitted by those who make the legislation.

Mr. HERRIDGE: Pardon me, but we were told it was 6,000 out of 160,000 to be assisted by this estimate, and we were told that this minority were a particular group that required the particular assistance this estimate would provide. Therefore, I think I am safe in saying we are being asked to assist a minority of the disability pensioners in Canada by this estimate.

Mr. CRICKSHANK: Mr. Chairman, on a point of order I am not disagreeing with the remarks, but in all fairness to those who read the record, I think Mr. Herridge should state when he is quoting and when not. You do anywhere else. You should specify for the benefit of the reporter when you are quoting and when you are stating a fact.

Mr. HERRIDGE: I am only too pleased to stand corrected by the member, but I thought the committee would assume that when I lifted my head I had stopped quoting.

The CHAIRMAN: Yes, the committee may, but *Hansard* does not.

Mr. HERRIDGE: I can give the reporter what I am quoting. Thank you for the interjection.

The CHAIRMAN: I think there have been two instances of interjections. I let them go, but perhaps it would be better when you do make an interjection if you were to unquote me and speak for Mr. Herridge.

Mr. HERRIDGE: That is quite right, Mr. Chairman, and I accept your suggestion. As usual, I am trying to save the time of the committee.

An Hon. MEMBER: Question.

Mr. HERRIDGE: I did not think the doctors would be in such a hurry over a matter like this which is a serious matter for disabled people.

Mr. RICHARD: For the record, the doctor did not say a word.

Mr. CROLL: Well, let us get to the question.

Mr. HERRIDGE:

If we want to adopt the principle that a pension for 100 per cent ought to be designed to give a competent living in relation to the general cost of living then we should not be talking about an increase in the basic rate of pension at all; we ought to be turning our attention to what I believe to be an impracticable idea; that is a sliding scale really related to a basic pension of 100 per cent and the cost of living at that particular time.

There is another point I want to make, Mr. Chairman: that is just what we are doing in this estimate: we are dealing with a sliding scale.

The CHAIRMAN: Since you are referring to me, you will permit me to interject and say I challenge your interpretation of what we are doing, and I agree with what I formerly said.

Mr. HERRIDGE: That is your right, Mr. Chairman.

I warn the committee that we must not regard this primarily as a method of fixing the scale of living of an individual; that is not the function of the disability pension; the function of the disability pension is primarily to compensate for damage.

In conclusion, Mr. Chairman, I want to say that I think a careful reading of the remarks of the honourable gentleman at that time will indicate that he concludes that the proper way to assess the disability pensioner is by an adjustment of the disability pension. My interpretation is that we cannot legislate satisfactorily for disability pensioners by considering only a minority group, and he indicates in his argument, according to my opinion, that he does not

believe in a sliding scale which can be altered from time to time. What we are being asked to do now amounts to that: we are being asked to legislate for a minority group. Therefore, because of what I consider to be confusion in the minds of some members of the committee, and because I really believe that we are gaining some ground, that there is support for tackling this question head on, and in fairness to all members of the committee, I think the government should have some opportunity at this session to consider the representations of the Legion, the National Council of Veterans, and the minutes of this committee.

Therefore, Mr. Chairman, I move, seconded by my worthy colleague Mr. Gillis, an amendment as follows: "that further consideration of item 650 be deferred until the government has had an opportunity to give consideration to the latest representations from the Canadian Legion and the National Council of Veterans urging an increase in the basic rate of the disability pension."

The CHAIRMAN: Will you let me have the amendment, Mr. Herridge?

Mr. HERRIDGE: It is not quite the same as the previous motion, Mr. Chairman.

The CHAIRMAN: Thank you for pointing that out: I would not have noticed it from hearing you read it.

The amendment is to add to the amended resolution of Mr. Croll's: "that further consideration of item 650 be deferred until the government has had an opportunity to give consideration the latest representations from the Canadian Legion and the National Council of Veterans urging an increase in the basic rate of the disability pension".

I should point out, first of all—I need not, but I will—that the government has the latest representations. They came before us and told us they were the latest representations, as, in fact, they were in November 1950. However, the amendment denies the purpose of the amended motion, and the same result might be hoped to be achieved by voting against the amendment. In any case the committee has no power to report an estimate with any qualifications other than a reduction in the amount. For both reasons I rule it out of order.

Mr. GREEN: Before you make your ruling—

The CHAIRMAN: Yes, I will hear you.

Mr. GILLIS: Well, if it is out of order—

The CHAIRMAN: Mr. Green was on his feet before I finished speaking and as a matter of courtesy I think I should hear him.

Mr. GOODE: Mr. Chairman, you refused to hear me last night on my motion, and I do not see why anyone else should have the privilege you denied to me.

The CHAIRMAN: I should like to point out that yesterday you asked me if I would allow some discussion on the amendment. Mr. Goode did not at that time rise on a point of order. I think the record will bear me out. Mr. Green did. I felt that the chairman was at fault. I am not favouring anyone when the opportunity is given to speak to a ruling, and I thought I was at fault when I did not see Mr. Green who was standing when I looked up. Consequently I said if he wished to raise a point of order I would hear it.

Mr. GOODE: You are going to allow, Mr. Chairman, a ruling that you have already ruled out of order as debatable from this time on?

The CHAIRMAN: I am going to hear Mr. Green's point of order.

Mr. RICHARD: He got up to speak on the motion.

The CHAIRMAN: If Mr. Green proposes to speak to the motion which I have ruled out of order, then, I cannot hear him. If he rose, as I understood

he did on a point of order, I must hear him. If his point of order challenges the decision which I have given, I will be able to restrain him when that becomes apparent.

Mr. GREEN: Mr. Chairman, I was going to point out—

Mr. GOODE: Is Mr. Green speaking on a point of order?

Mr. CROLL: Yes, yes.

The CHAIRMAN: What is your point of order?

Mr. GREEN: I was going to point out that the amendment proposed by Mr. Herridge calls for a deferment only until consideration has been given by the government.

The CHAIRMAN: I do not think I can let you develop that. That is not a point of order. I pointed out, in ruling the amendment out of order, that it was out of order for two reasons: the first one being that as an amendment it denies the purpose of the motion which is to report it until some other action has taken place, which the motion presupposes will take place, and on that ground I ruled it out of order; and I also ruled it out of order on the ground that: "Each resolution can only be dealt with by being agreed to, reduced, negatived, superseded, or, by leave, withdrawn, and the withdrawal can be made although the decision of the committee has been taken upon amendments proposed to the resolution. Here, the power of the committee ceases. It is not allowable to attach a condition or an expression of opinion to a vote or to change the destination of a grant". Under that, which is Beauchesne's 480, page 178, I have exactly the same grounds for refusing the amendments as I had with Mr. Quelch, and I so rule.

Mr. GREEN: I realize you have a difficult position as chairman.

The CHAIRMAN: It is very clear.

Mr. GREEN: I would suggest that when in future there is to be a ruling on a point of order that you do as His Honour does in the House, and tell the members of the committee that you are proposing to make a ruling, and ask if anyone would like to make any submissions. I said I was rising on a point of order; that I would like to raise a point of order before you had actually made the ruling, but we really had no opportunity to present any argument with regard to that.

The CHAIRMAN: The Chair stands rebuked on that score. I was reading from Beauchesne and it was while I was giving my reasons that you got up. I felt I should have looked around, when I would have seen you, and that I should give consent.

The question is on the main motion.

Mr. GILLIS: Mr. Chairman, before you put the main motion I am going to speak to the motion. We are in the position where we have either got to vote this motion up or down. We tried amendments and they did not work. The first question which we have got to ask ourselves, and the Legion have got to ask themselves, is why are we in this position today with pensions lagging so far behind the cost of living: and no increase in pension is going to cure that. You will have it next year again unless we recognize the basic cause, and the basic cause of the position we are in today was not cured last year by an increase: you are worse off now than when that increase was made. The basic cause is the failure on the part of the government from 1945 up to date to control the cost of living. And everybody in the House who voted to take off price controls during that period and have failed to re-establish them since is responsible for the position we are in today, and you are not going to cure pensions and wages getting out of line by increasing them, and failing to do something about the problem that lies underneath. The next point I want to

make is this; that this committee has been asked to take a responsibility that neither the Legion nor the amalgamated veterans would take. We are being asked now to vote on this motion and send this supplementary estimate back to the House for ratification. When Dr. Lumsden was asked directly by myself would he accept or reject this supplement, he said he could not speak for his organization; they had not discussed the matter, and he was here on his own; and the Legion taking that responsibility were accepting it, but the amalgamated veterans were in the same position. They criticized it and condemned it, but they did not ask us to withdraw it. It is an unfair position the committee is in to accept responsibility for an action on the part of the government that those who represent the pensioners have not accepted themselves. That is not our responsibility. Now, the assumption is that if this committee do not vote favourably to the motion and send it back to the House for ratification, we may not get that \$2 million. That is not correct either. The minister can withdraw this vote from the committee. It is the property of the House of Commons. It is merely referred to us as a matter of courtesy. They can withdraw this vote, take it back to the House themselves, and put it through, and if they do that, that is the government's responsibility and that is what should be done. If they think at this time this is the best action to take, then it is their responsibility to take that themselves and put it through the House with a discussion in the House, but it is not fair to any member of this committee to place him in a position where he is going to pass a motion here accepting this, sending it back to the House, when the Legion representing the main vote have not taken that responsibility themselves.

I am in this position, Mr. Chairman: as far as I am concerned, I am going to vote against this motion, and I am going to vote against it because I do not think it is our responsibility, and I vote against it conscious of the fact that it can be withdrawn, and it can go back to the House at the request of the Minister. It can be put through if the government so desires, and I consider that their responsibility, and not the responsibility of the committee.

Mr. BROOKS: Mr. Chairman, I assure the committee at once I am not going to move any further amendment, but I did wish to say a few words as to my own view and possibly the attitude of the opposition on this matter. It is not necessary to make any extended remarks, because for the last few days certain members of the committee and a few weeks ago the Legion and the Veterans Associations gave us all ample reasons, why this should be opposed. As Mr. Gillis has said, the government is responsible for this position. It is the government also, which has placed the committee in the position we are in today, and it is a very difficult position. I am sure it was perfectly obvious, and is perfectly obvious to every member of this committee here, even before we came to this session of parliament, that there was a situation in this country with reference to veterans legislation which required attention. The cost of living has been mentioned, and also the increased wages and matters upon which soldiers pensions were based in the past, and I expected, as I know other members expected, when this committee was set up that we would not be circumscribed as we have been by our terms of reference; we expected we would be going to the very root of the legislation and be asked to deal with the basic rate of pensions and war veterans allowance. I expected, and every other member here expected that this would be done. I have listened to the arguments by the members in favour of this item, and I have not heard one logical reason so far why this problem should be dealt with in this way. They have not told us that there was no money that the government could afford for basic pensions, that there was no money for war veterans allowances. They have simply put this item before us and told us we either have to vote and accept it, or reject it. I think if there were any logical arguments that we should have heard them. As I say, we have heard nothing so far that would lead me to believe we should accept it in preference to sound

legislation. We have heard argument after argument as to why the terms of reference of this committee should have been broad enough to include both war veterans allowance and include an increase in the basic rate of pension.

As I said, I am voting against it because I think it establishes a precedent, and a very bad precedent. In listening to some explanations regarding this item we were told England had adopted some similar resolution, that New Zealand had adopted a similar resolution. We were told that a precedent had been established in those countries which we could follow, and if we are prepared to follow a precedent of something which has happened in England or New Zealand, how much easier would it be for us in the future to follow a precedent of our own established here.

Then, the principle of pensions has been always based, as pointed out time and time again, on a basis of right and not as of need, and this principle is being violated, and that is another reason why I think it should be rejected. It has also been pointed out, Mr. Chairman, the great difficulty there would be in the administration of this item. It has been pointed out how it is most unfair to a pensioner, and pointed out it is not compensation for suffering; that "unemployability" is the test.

These are all reasons which to me are very sound and the reasons for which I feel we should reject this item. The committee, if their terms of reference had been extended as we asked, could have gone to the very root of the matter of veterans problems now, and we would have been in a position I am sure, to deal with that logically and fairly to the veterans, and fairly to the people.

Mr. Chairman, it is not my intention to discuss this matter further. We will be accused no doubt of trying to withhold money from those who need it. I, for one, will not accept this responsibility. The responsibility is placed squarely on the shoulders of the government. If they had adopted a logical attitude in dealing with this problem, the needy veterans would not have been suffering at all, and I, for one, do not feel that I must be compelled to vote for something which my conscience tells me it is wrong, simply because the government intends to make a mistake, and deal with this problem in an unfair and illogical manner.

Mr. CRUICKSHANK: Mr. Chairman, I intended not to vote, but I will vote. On April 12, on page 5, I stated my intention in some way or other to make a motion to expedite what I considered to be a most important matter before this committee at that time. Again, on page 16:

"Mr. CRUICKSHANK: Are we entitled—I am asking for information at this meeting now—to make a recommendation to the House that our order of reference be amended to permit us to make such a recommendation?"

The CHAIRMAN: The committee always has the power to ask the House to amend its own terms of reference. The power to amend the terms of reference naturally lies with the House itself, but the committee has the power to report back to the House and ask for a change in its terms of reference."

Now, Mr. Chairman, Mr. Brooks moved an amendment which I support. I think the evidence will bear me out that I said that at that time I was supporting the amendment, but at the same time I was supporting the motion, because I believe half a vote is better than none at all. I still believe the order of reference was not wide enough, but I still believe in our form of government—a democratic form of government, which is that the majority should rule. I voted with Mr. Brooks on his amendment. I am prepared to clear my conscience the same as he is, but while I would much prefer that his amendment had carried and been referred back to the House for wider reference, at the same time I am not prepared to take on myself the responsibility for withholding this grant, inadequate as I think it is, for 6,000 veterans out of 160,000. I do not think it goes far enough.

On the other hand, Mr. Chairman, it was officially announced the other day in the House that we were going to adjourn at the end of this month and meet again in the fall. As I see it, the 6,000, inadequate as the number may be, and insufficient as the increase may be, nevertheless, if we do not pass this legislation as it has been put before us, I believe we are doing an injustice to those—limited though the number is—6,000. While I agree with Mr. Brooks in a very large degree, I do not think I am justified in voting against this motion. As I said, I did not vote on the previous amendment to the motion because I did not hear the discussion, and I do not think I was qualified to vote, but I do know this discussion has been going on ever since April 4, and on the assumption that we are going to adjourn shortly, why not bring this legislation before the House? Every member has had an opportunity of saying he did not think it adequate, if he so thought, but we can go on moving amendments and moving amendments and we are going to get nowhere. In my opinion we are depriving 6,000 of securing this amount. Personally, I would like to see this cleared out today. We have five minutes left, and I would like to see it cleared out, and I am sorry if my friends cannot agree on that. There is nothing, as I understand it, Mr. Chairman, to prevent us from then moving any recommendation to the House we see fit for a wider reference, and, if the House goes on long enough, to grant us wider reference to consider any further recommendations.

The CHAIRMAN: The question is on the motion as amended. Those in favour of the motion as amended will please rise.

Mr. GEORGE: May we have the vote polled?

The CHAIRMAN: Members will remain seated. Those in favour of the motion as amended will answer "yes", and those opposed the motion as amended will answer "no".

(At this point the vote was polled)

The CHAIRMAN: I declare the motion as amended carried, 18 to 10.

Before we conclude the item, we should have unanimous consent to Mr. Croll's motion.

Mr. CROLL: "That financial assistance under item 650 be exempt from income tax under the provisions of the Income Tax Act".

The CHAIRMAN: Those in favour?

Contrary, if any?

I declare the motion carried.

At our meeting tomorrow morning at 11 o'clock as arranged by the steering committee and agreed to by the committee, we begin with the Special Forces Act. I will call the officials of the department that I think are affected, and the committee may proceed on the assumption we will call anyone they want.

The committee adjourned.

Canada: Veterans Affairs, Special
E. Cloutier, 1951
SESSION 1951

HOUSE OF COMMONS

CA1 XC2
-56V21
SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

CHAIRMAN—MR. L. A. MUTCH

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

THURSDAY, JUNE 7, 1951

WITNESSES:

- Mr. E. L. M. Burns, Deputy Minister,
Mr. W. G. Gunn, K.C., Director, Legal Services Division and
Mr. G. H. Parliament, Director General of Veterans Welfare Services,
Department of Veterans Affairs.
Mr. J. L. Melville, Chairman, Canadian Pension Commission.
Mr. A. H. Brown, Chief Executive Officer and Solicitor, Department of
Labour.
Mr. R. G. Barclay, Director of Unemployment Insurance, Unemployment
Insurance Commission.

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1951

MINUTES OF PROCEEDINGS

THURSDAY, June 7, 1951.

The Special Committee on Veterans Affairs met at 11 o'clock a.m., the Chairman, Mr. L. A. Mutch, presiding.

Members present: Messrs. Bennett, Blair, Brooks, Carter Corry, Croll, Cruickshank, Dickey, George, Gillis, Goode, Harkness, Henderson, Hosking, Jutras, Larson, Lennard, McMillan, McWilliam, Mott, Mutch, Pearkes, Quelch, Roberge, Stewart (*Yorkton*), Thomas, Weaver, White (*Hastings-Peterborough*).

In attendance: Mr. E. L. M. Burns, Deputy Minister of Veterans Affairs, Mr. W. G. Gunn, K.C., Director, Legal Division, and Mr. G. H. Parliament, Director General of Veterans Welfare Services, Department of Veterans Affairs; Mr. J. L. Melville, Chairman, Canadian Pension Commission; Mr. A. H. Brown, Chief Executive Officer and Solicitor, Department of Labour; Mr. R. G. Barclay, Director of Unemployment Insurance, Unemployment Insurance Commission.

The Committee proceeded to consideration of Bill No. 287, An Act respecting Benefits for Members of the Canadian Forces.

Mr. Burns explained the purpose of the Bill and was questioned.

Mr. Gunn was called and questioned.

Clauses 1, 2 and 3 were adopted.

Mr. Brown was called, questioned respecting certain provisions of *The Reinstatement in Civil Employment Act, 1946*, and retired.

Clause 4 was amended by the deletion of sub-clause (2) and the substitution thereof of the following:

(2) *The Reinstatement in Civil Employment Act, 1946*, applies to and in respect of

- (a) every person who since the fifth day of July, nineteen hundred and fifty, was enrolled, or being a member of the special force re-engages, for service with the regular forces and has served with the regular forces for a period not exceeding three years, and
- (b) every officer or man of the reserve forces who since the fifth day of July, nineteen hundred and fifty, was called out for service with the regular forces and has served with the regular forces for a period not exceeding three years,

as though his service with the regular forces was "service in His Majesty's forces" as defined in paragraph (i) of section two of that Act; and for the purposes of the said Act, the expressions "discharge" and "termination of service" mean termination of his service with the regular forces.

Clause 4, as amended, was adopted.

Mr. Meville was questioned respecting certain provisions of the *Pension Act*.

Clause 5 was adopted.

Mr. Parliament was called, questioned respecting section seven A of the *Civil Service Superannuation Act* and retired.

Clause 6 was adopted.

Mr. Barclay was called, explained certain provisions of *The Unemployment Insurance Act, 1940*, was questioned, and retired.

Clauses 7, 8 and 9, the Schedule, and the Title were adopted.

The Bill, as amended, was adopted and the Chairman ordered to report it to the House.

At 1 o'clock p.m., the Committee adjourned until 4 o'clock p.m. this day.

AFTERNOON SITTING

The Committee resumed at 4 o'clock p.m., the Chairman, Mr. L. A. Mutch, presiding.

Members present: Messrs. Bennett, Blair, Brooks, Carter, Corry, Cruickshank, Dickey, George, Gillis, Goode, Green, Harkness, Henderson, Hosking, Jutras, Larson, McMillan, Mott, Mutch, Quelch, Roberge, Stewart (Yorkton), Thomas, Weaver, White (*Hastings-Peterborough*).

In attendance: Mr. E. L. M. Burns, Deputy Minister, and Mr. W. G. Gunn, K.C., Director, Legal Division, Department of Veterans Affairs; Mr. J. L. Melville, Chairman, Canadian Pension Commission.

The Committee proceeded to consideration of Bill No. 288, An Act to amend the *Pension Act* and change the Title thereof.

Mr. Melville explained the purpose of the Bill and was questioned.

Mr. Gunn was questioned.

Clauses 1 to 9 inclusive, 11 to 16 inclusive, 18 and 19 were adopted.

On motion of Mr. Green, it was agreed that the Committee recommend that the Government give consideration to the advisability of introducing amendments to clauses 7, 9, 11 and 18 to advance the date line of *May 1, 1950*, wherever it appears in these clauses, to *May 1, 1951*.

On motion of Mr. Jutras, it was agreed that the Committee recommend that the Government give consideration to amending subsection four of section twenty-nine of the *Pension Act* by deleting the words *or two* in line 3 thereof.

The Chairman tabled a brief from the National Council, Silver Cross Women of Canada.

On motion of Mr. Goode, it was ordered that the said brief be printed as *Appendix A* to this day's Minute of Proceedings and Evidence.

At 5.40 o'clock p.m., the Committee adjourned to the call of the Chair.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 7, 1951.

The Special Committee on Veterans Affairs met this day at 11 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Gentlemen, we have a quorum. The bill before us this morning is bill 287, an Act respecting Benefits for Members of the Canadian Forces. I presume we will proceed in the time honoured method of calling the bill and examining it clause by clause. The bill was distributed to members quite some time ago.

Mr. BROOKS: I wonder if we could have a sort of general outline of the bill first?

The CHAIRMAN: I do not know that there is much more in the way of a general outline than is embraced in the explanatory notes as we go along. Perhaps I could say a word or two.

You will remember that at the time the special force, generally known as the Korean Force, was established, certain undertakings were given with respect to extending the benefits of the then veterans' charter, as we know it, to those who serve in the special force; and in order to keep that commitment the government did, at the short session, introduce a bill which gave to the Governor in Council power to extend by order in council such benefits from the veterans' charter as might be applicable to the need. Those powers under the Act expire on the last day of the current session; and this was introduced to make it abundantly clear that it was the intention of the government to further review the situation at this current session and to incorporate in legislation those benefits which they had found it necessary to extend in the interval by order in council.

This bill, then, does, in brief, regularize in legislation those benefits which have already been extended by order in council, and makes further provision to extend the power under this Act which will supersede the previous one—to extend further benefits with a view to being brought back at a later date.

In other words, this veterans' charter—if you like to call it that—for the special force or the special forces, will grow much as the veterans' charter did before as a result of an accumulation of Acts extending benefits. I think, briefly, that is the background for it.

Mr. JUTRAS: I think it is mentioned here that it is to extend the privileges to the special force. Does this take in both forces as special forces, the Korean force and the European force? Perhaps we could have a general statement on that?

Mr. BROOKS: That is what I meant by asking that we be given a general outline. I thought General Burns might give us an outline explaining these matters in general.

The CHAIRMAN: We have such information available, and if the committee desire it I will ask General Burns to extend some remarks on the record as a basis for proceeding with bill 287.

Mr. BURNS: The members of this committee will recall that when recruiting for the special force began, an advertisement was published which was "Veterans' Benefits; Re-instatement in civil employment and other appropriate benefits under the Veterans' Charter as extended by Parliament", would be given to members who enlisted in this special force.

When this became public the Department of Veterans Affairs, in consultation with the Department of National Defence, began to consider what particular benefits it would be appropriate (to use the language of the advertisement) to extend to the members of the special force and when they should be so extended. Later on, by direction of the government, an Inter-Departmental Advisory Committee on re-establishment for members of the special force was set up. On this committee were represented the Department of National Defence, the Department of Veterans Affairs, the Department of Labour, the Civil Service Commission and the Department of Finance.

It will be recalled that in introducing the Canadian Forces Act on September 7, 1950, Mr. Claxton said in the House that, "A second purpose of the bill is to extend to members of any special force, special provision for veterans under a number of Acts", and then he enumerated the Acts of the veterans' charter. He went on to say, "so far as it is proper and possible the position of men who enlist and take part in the work of any force designated as a special force, shall be similar to that enjoyed by veterans in similar circumstances in the second world war, and the general object is to put members of the special force and others who may be added to them in very much the same position as members of the Canadian Army overseas were at the end of the second world war". Mr. Claxton also said on the 8th of September, in the debate on the second reading of the Canadian Forces bill, "The Active Force personnel—that is the permanent force or the regulars as we know them—while on active service abroad with the special force, would also have, if they could qualify on return, the benefits that would be appropriate in the veterans' charter—to sort out the different classes and find out who was entitled to what so as to do substantial justice and carry out the promise of the government that the men enlisting in the special force shall have treatment similar to that of veterans in the second world war, will not only require a good deal of working over by the officials of the Department of Veterans Affairs and the Department of National Defence, but will also require the surveying of actual cases as they arise".

This working over which Mr. Claxton said would be necessary has been going on in the Inter-Departmental Advisory Committee for the past six months or so. Orders in council have been passed relating to re-instatement in civil employment, the application of the insurance principle in the Pension Act, unemployment insurance benefits for men who have been discharged from the special force, certain benefits under the Civil Service Superannuation Act and others relating to preference in the civil service under the Civil Service Act; treatment benefits such as were given to veterans after discharge in World War II and benefits for training, both vocational and university, under the Veterans Rehabilitation Act for those who are pensioned as a result of their service in the special force or in a theatre of operations. Most of these orders in council, with the exception of the three last named, are being incorporated in the bill which is before you. Copies of the other orders in council will be available for the information of the committee should their production be desired.

I might also quote for the benefit of the members of this committee some observations made by the Prime Minister in the same debate on the 8th of September. He said, "The provisions of existing statutes"—(that is to say the statutes of the veterans' charter listed in the schedule of the Canadian Forces Act) "which are to apply to the men enlisted in the special force cannot be applied without special consideration being given to each of them. It is for that reason the legislation provides that it will be done by orders in council, but those orders in council will not be permanent. Those orders in council will not extend beyond the life of the next session of parliament. We have expressed it in that way, so as to make it quite clear that at the next session of parliament we shall have to ask parliament to say whether or not what we have put in the

orders in council is sufficient or whether it goes too far." He further said, "At the next session there will have to be legislation and every line of the regulations will be subject to approval or disapproval of parliament. I feel confident that we shall maintain, without any impairment whatever, the traditional doctrine of the responsibility of parliament to the people of Canada in respect of all these matters."

It is in accordance with the principles which were laid down by the Prime Minister in these remarks, that this bill is being brought forward, so that, to quote again, "Parliament may say whether what is put in the order in council is sufficient or whether it goes too far."

The problem of what should be done at this stage is a somewhat difficult one but no doubt discussions in this committee will be useful in formulating a policy in this matter.

With your permission I will now touch briefly on the purport of the different sections of the Bill.

Section 2, of course, is definitions.

Section 3 extends the power to the Governor in Council to provide by regulation, that the Acts in the schedule, that is, the legislation of the veterans' charter which has not been applied specifically in the ensuing portion of the bill, may apply to the special force.

Mr. BROOKS: Before you go on with section 3 may I ask what is the meaning of "operations" in the expression "service in a theatre of operations"?

Mr. CROLL: Will we not get into that a little later?

Mr. BURNS: I will go back to that later.

The CHAIRMAN: Might we not deal with that to advantage when we begin to examine the bill clause by clause? What we are getting now is the general background of the bill.

Mr. BROOKS: I thought General Burns was undertaking to explain each clause as he went along.

Mr. BURNS: At that time I can give you the gist of the definition suggested.

It is not possible to foresee what the conditions will be when the members of the special force will be discharged, and what their needs for rehabilitation will be at that time. And therefore it has been thought better, as Mr. Mutch told you, to follow the precedent of World War II, and while allowing for the conferring of these benefits by order-in-council, to wait until the war is over to incorporate them in legislation—if I may use the word "war" in this regard.

Section 4 confers upon members of the special force, when they are discharged, the benefits which were enjoyed by veterans of World War II under the Re-instatement in Civil Employment Act. Subsection 2—this answers Mr. Jutras' question—will also extend the same benefits to those persons who are enrolled in the regular components of the Canadian forces and those officers and men of the reserve forces, who are called out for service with the regular components when their service is for not more than three years. This is to facilitate enlistment in or service with the regular forces in view of the fact that considerable additions to the regular forces are now being raised by voluntary enlistment.

A recommendation will be put forward for a slight amendment to the terms of the clause as printed. This recommendation arose from discussions which were held in the National Advisory Committee on Manpower. It was deemed advisable to discuss the question of re-instatement in civil employment in that body which contains representatives of management and labour, in order to see whether what was proposed was considered by them to be workable.

It was the opinion of the National Advisory Committee that it would be simpler if entitlement to re-instatement in civil employment were granted to all who enlisted after the stated date, the 5th July, 1950, up to a period of three years. It was realized, however, that if before the end of that period of three years, circumstances should make it necessary to extend the term of engagement of any of the men so that they would not be allowed to leave the service if they desired to, to hold them for the "duration" so to speak, the term of protection of the legislation could be extended accordingly, since the Act would have to be reviewed at the next session of parliament in any case.

In connection with this section of the Act, in discussion at the committee stage in the House, Mr. Wright asked the question whether protection of re-instatement in civil employment extended to the pension rights in civil employment of those who served in the special force. Mr. Lapointe promised he would obtain the necessary information for this committee. I might say that this point is covered in section 5 (1) of the Re-instatement in Civil Employment Act, 1946, which this section of the present bill is applying to the persons specified. The actual language of the section I quoted is, "provided further that for determining employees' rights to pension or other benefits, service in His Majesty's forces shall be deemed to be service with the employer".

Section 5 applies the benefits of the so-called insurance principle of the Pension Act to the members of the special force. Details regarding this section will be explained as you may wish by the chairman of the Canadian Pension Commission.

Section 6 of the bill will permit a contributor under the Civil Service Superannuation Act, that is to say a permanent civil servant, to count his service in the special force while absent on leave from the civil service without the necessity of making contributions in respect of such service. That was a benefit given to veterans of World War II.

Section 7 of the bill which relates to benefit under the Unemployment Insurance Act, not only gives essentially the same benefits under that Act to the future veterans of the special force, as were given to the veterans of World War II, but it also gives a measure of protection which will be effectively the same as the out-of-work allowance which was given under the Veterans Rehabilitation Act to veterans of World War II. I might explain that experience has shown that it was in the interest of veterans who were unemployed that they should be placed in touch with employment opportunities through the offices of the Unemployment Insurance Commission, whose co-operation in any case was necessary in the administration of out-of-work allowances. This proposal will simplify administration and we believe is in the interest of the future veterans.

The bill provides that any veteran of the special force who is honourably discharged after at least three months' service will have at least three months' entitlement to unemployment insurance benefits under the Unemployment Insurance Act. This plan preserves continuity of contribution in respect of those who are in insurable employment prior to enlistment and as I have said, it also maintains contact with the government agency which is responsible for employment.

Section 8 gives the Governor in Council power to extend the enactments set out in the two schedules to persons who serve in a theatre of operations with the Canadian forces; that is to say, it is not restricted to the special force as defined in section 2 of the Act. This is also germane to Mr. Jutras' question. This is so that appropriate benefits may be conferred on the members of the

regular forces who are serving in circumstances similar to those of the special force, but without requiring them to be designated as members of the special force, which has certain administrative inconveniences for the armed services, and sets up different categories of serving personnel, which was found to be very awkward during the second world war, as members of the committee know.

Finally section 9 provides that this Act will expire on the last day of the first session of parliament in 1952. That is to say that this legislation will be required to be reviewed at that session.

Those, Mr. Chairman, are the general remarks on the bill which I have to make.

The CHAIRMAN: Thank you, Mr. Burns. Is there any discussion?

Mr. HENDERSON: Mr. Chairman, there is one point I should like to bring up here. I think this is the time to realize that there should be more in the way of reference to training. I would like to ask General Burns if there is any provision made anywhere as to the right of any employee in his relationship to the employer so that he can go and take his reserve training and not be interfered with as far as his position or employment are concerned. I know there have been excuses and reasons given that they cannot get off because they cannot get a release from their employer.

Mr. BURNS: Mr. Chairman, I am afraid that is beyond the scope of this Act. The only provisions with respect to members of the reserve forces are in regard to those who are called up for service with the regular forces as a result of the present emergency—not just for ordinary training.

The CHAIRMAN: Shall we proceed, gentlemen, with a clause by clause examination of the bill?

Mr. GOODE: There is one question I would like to ask. The answer may be here somewhere but I cannot see it. I asked a question of the minister regarding clothing allowance, and I wonder whether the deputy minister could answer that. What is the provision in regard to that matter?

The CHAIRMAN: I might point out that the Department of Veterans Affairs do not get these people at all until they cease to be soldiers and become civilians. Perhaps the deputy minister can answer the question from his own personal knowledge.

Mr. GOODE: Do you remember the complaints there were from British Columbia? I ask this question so that we can get it on the record.

The CHAIRMAN: The complaints were not substantiated.

Mr. BURNS: Following this incident that Mr. Goode refers to, this matter was discussed in the Advisory Committee on Re-establishment and there we were given to understand by the representatives of the Department of National Defence, under whose jurisdiction clothing allowance and the so-called rehabilitation allowance fall, that consideration was being given by their minister to bringing in regulations which would provide for the payment of clothing allowance. That is where the matter has got, as far as my knowledge extends.

The CHAIRMAN: The question, gentlemen, is on clause 1: "This Act may be cited as The Veterans Benefit Act, 1951."

Shall clause 1 carry?

Carried.

Clause 2, definition of "special force".

Mr. CRUICKSHANK: What is the definition.

The CHAIRMAN: Mr. Burns will answer that.

Mr. BURNS: It is defined there, Mr. Chairman: the special force has to be designated from time to time by the Minister of National Defence.

Mr. BROOKS: What is the idea at the back of that?

Mr. BURNS: Well, in order that those who take part in those operations may have it recorded on their documents that they have served in the special force, and consequently are entitled, amongst other things, to the benefits which will be given to the special force under this bill.

Mr. CRUICKSHANK: In other words, it is wide open as yet.

Mr. BURNS: The special force?

Mr. CRUICKSHANK: Yes—the theatre of operations.

Mr. BURNS: No, no, excuse me; I was referring to the definition of “special force.”

Mr. BROOKS: That would not include the forces in Europe.

Mr. BURNS: No.

Mr. BROOKS: They may come under section 8.

The CHAIRMAN: They have not been designated, but the Act provides that they may be.

Mr. BROOKS: Yes, when you come to section 8 the veterans council might decide to give the benefits of schedule 1 to troops that served in Europe.

Mr. BURNS: There was a point in relation to Mr. Brooks' question: it says: “served in a theatre of operations”.

Mr. QUELCH: Well, that is not the same as a theatre of war.

Mr. BURNS: No, sir, because it is not regarded as a war in Korea.

Mr. CRUICKSHANK: Mr. Chairman, I am not quarrelling, but I wanted to be clear in my own mind: “served in a theatre of operations”, I take it the definition is wide open.

Mr. QUELCH: It is not a theatre of war.

Mr. BURNS: If the chairman wishes, I will give what is contemplated as a definition of “theatre of operations” at the present time.

Mr. GEORGE: I saw in the press the other day where the “permanent special forces” had been abolished and we are now using the terms “twenty-fifth and twenty-seventh brigade”. “Special force” to most of us means the twenty-fifth brigade.

The CHAIRMAN: Before I go back to where I was a moment ago with Mr. Cruickshank, I had better keep you in order of turn. These benefits may be available, as I understand it, Mr. Quelch, to others than members of the special force under clause 8. The intention is, and Mr. Cruickshank expressed it, perhaps to keep this wide open; as I sometimes say, “to tailor the legislation to fit the need.”

Mr. JUTRAS: Just for the purpose of procedure there, I thought we were on (a). Are you taking clause 2 as a whole.

The CHAIRMAN: Yes, and the suggestion was made that the benefits—

Mr. JUTRAS: But Mr. Cruickshank was referring to “special force”.

Mr. CRUICKSHANK: As I see it, they both combine. I am not quarrelling with this. I want an explanation. As I see it, “special force” is tied in with (b). I am not quarrelling with the principle of the thing, but it is as yet—and I think the chairman expressed it very well—wide open to meet circumstances as they may arise.

The CHAIRMAN: The definition simply says that the Minister of National Defence shall have the power to designate who constitutes a member of a special force to whom these benefits apply.

That is section (a): shall section (a) carry?

Mr. JUTRAS: Mr. Chairman, there is one point in "special force": am I not right in saying this includes all the men who are recruited now? I understand these men—there are no strings attached, and no distinction made in the process of recruiting. In other words, they are not signing for Korea or Europe: they are signing "special force", and then it is left to the minister of the department, or the officers, to send them where they wish. That being the case, then "special force" would take both into consideration. There is no difference there between Korea or Europe, or any other place, as far as the special force is concerned.

Mr. BURNS: I think, as a matter of fact, Mr. Jutras, that is not quite correct. The special force were people who were enrolled last year under a special form of enrollment, specifying amongst other things, a period of 18 months. The special force consists of those people, and also of others—regulars and very few reserve force personnel who were engaged or ordered to serve in the theatre of operations and have been designated as part of the special force by the minister. For example, the ships of the Canadian navy which have been in operation out in that theatre, during their period there are part of the special force, and are so designated by the minister. The air force squadron that has been flying transport out to that theatre are also members of that special force. Those that are now being enlisted in connection with this brigade for Europe, and generally, are not in the special force. They are members of the regular forces, and are being recruited on normal terms of enlistment, and may be used either in Europe, Korea or anywhere.

Mr. CRUICKSHANK: Mr. Chairman, I do not want you to think I am quarrelling—

Mr. BROOKS: We have understood that several times.

Mr. CRUICKSHANK: All right. I still have my secretary taking word for word what you have stated. There are other parts of Canada besides New Brunswick—and more important too. We had a lot of discussion in the previous committee in connection with this very theatre of operations.

The CHAIRMAN: Mr. Cruickshank, we are still on the "special force". We have not got to "theatre of operations" yet.

Mr. CRUICKSHANK: Well, they are tied in together. We discussed it before, and those that were airmen, patrolling the Pacific coast just outside of Vancouver Island, we took the stand—and the same applied to the Atlantic—in that case it would be called the special force. They were patrolling and looking for submarines and so on. We took the stand they were in a theatre of operations exactly the same as the others. At that time we had administrative officers from the air force, who, by leaving their office for a certain period, in security, put in a certain length of time in flying hours, got extra payment. I just want to have it very clear in mind. I think, if I am not mistaken, Mr. Chairman, the idea of the definition, as is, is simply because we are not in a position today to say "theatre of operations".

The CHAIRMAN: I think, Mr. Cruickshank, when we get to (b) of 2 I will ask the deputy to read the memorandum which is proposed with respect to regulations, and perhaps that will clarify thinking on that.

Mr. ROBERGE: This is dealing with Korean forces entirely, and the minister can enlarge from there at a later date.

Mr. BURNS: The Governor in Council can apply some of these bills—

Mr. ROBERGE: It is the Korean situation only.

The CHAIRMAN: Basically that is true.

Mr. HARKNESS: Except it is purely within the jurisdiction of the Minister of National Defence to put anybody else into this special force category.

The CHAIRMAN: For that reason anyone the Governor in Council decides, in effect, is part of it.

Mr. HARKNESS: As far as the special force is concerned, it is just the Minister of National Defence. Service in a theatre of operations is the Governor in Council. In the special force it is entirely within the jurisdiction of the Minister of National Defence.

The CHAIRMAN: Those who are in, are in, but those who may come in, come in on the recommendation of the Minister of National Defence.

Mr. HARKNESS: No recommendation at all.

Mr. GUNN: I do not think I can add anything to what the deputy minister has just said, except to say this: under the Department of National Defence Act the minister of that department has the right to specify or designate part of any of the services to become special force for this purpose and that is practically all that this means: that the minister may from time to time designate certain parts of the various services to the special force, for such service as may be necessary.

Mr. BURNS: Mr. Chairman, as I understand it, the policy in this matter is that a special force was recruited for Korea, but it is wished in future to get away from this term of "special force", and then we will really be considering, for the question of benefits at any rate, service in a theatre of operations, rather than service in a special force.

Mr. HARKNESS: In other words, section 8 is really the future section 2.

Mr. BURNS: Well, it will be developed more than the "special force" sections will develop.

The CHAIRMAN: Section 8 leaves it open.

Mr. QUELCH: If we were asked by men of the forces as to whether or not men serving in Korea would be eligible for the benefits of schedule 1, the answer would be they will be almost certain to be eligible.

The CHAIRMAN: Serving in Korea?

Mr. QUELCH: Yes.

The CHAIRMAN: Oh yes.

Mr. BURNS: Yes.

Mr. GOODE: Conversely, what if men, enlisted for the special force, still served in Canada because of the orders of the Minister of National Defence—we will say on administrative work: they would still be entitled to benefits?

Mr. BURNS: The benefits in World War II were related to where you served.

The CHAIRMAN: The operation follows the operation of World War II.

Mr. BURNS: For the present.

Mr. BROOKS: There will be no question about theatre of war in Korea, but there might arise a question in some other part of the world; in Europe, for instance, there is no fighting; it is just an occupation. Are they to come under it just the same as men fighting in Korea?

Mr. BURNS: Well, as far as things have gone, there is no intention, as far as I know, that people who served in an area, even outside Canada which is not a theatre of operations, shall receive the same benefits as those who serve in a theatre of operations.

The CHAIRMAN: Shall section (a) carry?

Carried.

Section (b) "service in a theatre of operations" means such service as the Governor in Council may designate from time to time.

Mr. BURNS: Mr. Chairman, if you would wish, in order to clear up some points which have been raised by Mr. Cruickshank and others, I would read what is proposed for the interpretation of "service in a theatre of operations":

For the purposes of these regulations, "service in a theatre of operations" means the service of a member of the Canadian Forces from the time of his departure from Canada or the continental United States of America including Alaska to participate in military operations undertaken by the United Nations to restore peace in the Republic of Korea until

- (a) he returns to Canada or the continental United States of America including Alaska, or
- (b) he is posted to a unit that is not participating in such operations, or
- (c) the unit with which he is serving, having ceased to participate in such operations, arrives at the place to which it has been assigned, whichever is the earliest.

That defines "service in a theatre of operations", and I think it leaves out the people who may be flying out over the ocean.

Mr. CROLL: Will you give us (a), (b) and (c) slowly again please?

The CHAIRMAN: (a), (b) and (c) are related to the service in the theatre of operations.

Mr. CROLL: Give me (b) again please.

Mr. BURNS: "(b) he is posted to a unit that is not participating in such operations".

Mr. LENNARD: Where would that unit be?

Mr. BURNS: It is conceivable there might be a unit in Europe to which somebody from Japan might be posted.

Mr. HARKNESS: It might be at Hong Kong.

Mr. LENNARD: Would not that be a theatre of operations—Hong Kong? It would be close enough for me.

Mr. BURNS: It does not define "theatre of operations": but it defines "service in a theatre of operations". I will read what "service" is defined as: "for the purposes of these regulations, 'service in a theatre of operations' means a service of a member of the Canadian forces from the time of his departure from Canada or the continental United States of America including Alaska to participate in military operations undertaken by the United Nations to restore peace in the republic of Korea". That is the definition of service in Korea.

Mr. HARKNESS: This confines "service in a theatre of operations" purely to Korea at the present time.

Mr. BURNS: To operations in connection with Korea. That, of course, would relate the people who may be supporting the forces from the base in Japan.

The CHAIRMAN: Or flying.

Mr. BURNS: Or flying out there, or proceeding out there in the ships of His Majesty's Canadian Navy.

Mr. BROOKS: It may be changed any time by the Governor in Council.

Mr. BURNS: Yes; if another theatre of operations should develop, no doubt another definition would be put forward.

The CHAIRMAN: The power is retained to extend the definition if the actual condition arises; is that correct?

Mr. BURNS: Yes, sir; such service as the Governor in Council may designate.

The CHAIRMAN: Shall (b) of 2 carry?

Carried.

The CHAIRMAN: Section 3.

3. (1) The Governor in Council may by regulation provide that all or any of the enactments set out in Part I of the Schedule to this Act shall, in such manner as the Governor in Council may prescribe, apply to

- (a) any or all persons who, subsequent to the fifth day of July, nineteen hundred and fifty, were appointed, transferred or posted to, or enlisted, enrolled or serving in the special force, and
- (b) the service of any such persons in the special force.

Mr. BROOKS: Does schedule 1 include everything about the veterans charter?

The CHAIRMAN: It is on the last page: part 1 is the Civil Service Act where it applies to veterans: the Veterans Land Act; the Veterans Insurance Act; the War Service Grants Act; the Department of Veterans Affairs Act; the Veterans Rehabilitation Act; the Veterans Business and Professional Loans Act; the War Veterans Allowance Act.

Mr. QUELCH: This Act does not actually provide they will be—the Governor in Council may provide them.

The CHAIRMAN: So far, each one where the need has arisen for it, has been applied. We have only the commitment which was made to extend such—I have forgotten the exact words—"appropriate benefits".

Shall section 3 (1) carry?

Carried.

The CHAIRMAN: Section 3 (2):

3. (2) Nothing in any regulation made under subsection one shall prejudice any rights, benefits or privileges that any person had, under any of the enactments set out in Part I of the Schedule to this Act, prior to the coming into force of *The Canadian Forces Act, 1950*.

That is specifically to provide for chaps who were veterans when they enlisted in this force.

Shall that carry?

Mr. QUELCH: Under that, supposing a veteran who had enlisted in this force had a farm under the War Veterans Land Act, would he still be eligible for benefits for being in Korea—to another farm or other benefits of the Veterans Land Act.

The CHAIRMAN: The answer to that question is, I think, one of the reasons that up until now no provision has been made in this Act as to how the benefits of the Veterans Land Act shall apply. There are various circumstances under which these chaps have been permitted to enlist: some of them have concluded their contracts, and that is a matter we will have to be advised on when it is an issue: it is not yet.

Mr. BROOKS: Because the section says it will not prejudice any rights, benefits or—

The CHAIRMAN: If he has exercised them. The question of whether he gets the second shot has not been decided.

Mr. QUELCH: I take it that anyone who is on service, and under the Veterans Land Act, that will be counted as time on the farm?

Mr. BURNS: Quite a number of them have been given the permission to be absent from their farms.

Mr. QUELCH: But they have to put that time in when they get back?

Mr. BURNS: No, I think it runs right ahead.

The CHAIRMAN: Provided they keep up their payments, their contract is deemed to be in effect, although they are not present. Under the Veterans Land Act you have to live on your land, except under special circumstances.

Mr. QUELCH: That is what I mean.

The CHAIRMAN: Yes.

Mr. CRUICKSHANK: It counts, does it?

The CHAIRMAN: Well, the payments are made, and the contract is still alive.

Mr. QUELCH: I take it that if while he was away his payments lapsed, there is no danger of losing the farm? After all, he is not there to look after it, and it may be the fault of the man who is looking after it.

Mr. BURNS: We would certainly be very reluctant to do anything to rescind the contract. It may be interesting to point out that there are up to the present some 50 veterans in this case—that is, under contract with the director of the Veterans Land Act, and who have been given permission to join the forces.

Mr. CRUICKSHANK: What happens if their payments are not kept up? Would they forfeit their rights?

Mr. BURNS: We would get after them and try and get them to pay up.

Mr. CRUICKSHANK: If a veteran is serving in Korea who is under the Veterans Land Act from World War II, and he does not make his payments—say he is a married man and he has bought a small holding or farm, and has re-enlisted with the Korean force—brigade twenty-five, or whatever you call it—will his wife and family lose their right in the farm assuming he does not make the payments.

Mr. BURNS: We have not had any case yet.

Mr. CRUICKSHANK: I am not saying that. I am asking if there is any provision. Let me put it another way: That if a veteran has enlisted in the Korean force, and he has either a small holding or a farm, and something happens to him—he is killed, for the sake of argument—

Mr. BURNS: If he is dead, then his widow has the right to take over the farm—to take over the contract.

Mr. CRUICKSHANK: That is clear. Now, it happened in World War II, if I remember correctly, that a veteran to World War I under the Veterans Land Act had assigned a certain amount of his pay to meet the payments: assuming he has not done that, and the veteran does not keep up his payments—say \$40 a month—and he does not meet that—maybe he gets into a poker game in Korea—I do not know whether they play poker over there—and he loses the amount he should pay that month, I wonder what his standing is within the V.L.A.

Mr. BURNS: There is nothing specific, but I am sure he would endeavour to adjust the matter so that the veteran would not forfeit his rights.

Mr. QUELCH: If the veteran was under Farming Act, and he assigned one third of a crop to the land officials, he would be covered, because it would not be his fault if there was a crop failure.

Mr. BURNS: I do not know of such a case.

Mr. QUELCH: There is a time when the veterans can come under the "share a crop".

Mr. BURNS: Yes, but I do not know of any case like that where the veterans have gone out to fight.

Mr. QUELCH: Well, unless there is some assurance they may be hesitant about joining.

The CHAIRMAN: So far, the difficulty has not been to get them to enlist; it has been to restrain them from doing it.

Mr. GOODE: Is it possible to sue a soldier while in the forces for recovery of land? Could your legal advisers tell us that? Is it possible for the government to sue for re-possession while the man is in the armed forces?

Mr. BURNS: It is not a question of suing under the Veterans Land Act. It is a matter of administrative action if he does not fulfil his contract.

Mr. GOODE: Would it be possible to sue?

The CHAIRMAN: It is not necessary to sue. We can re-possess it any time.

Mr. GOODE: When he is in the armed forces?

Mr. BURNS: Yes.

Mr. GOODE: Do you mean to tell me if a man is in Korea fighting, and does not keep up his payments, the government can re-possess? They cannot under civil law.

Mr. GUNN: Unless there is some statute.

Mr. GOODE: You cannot sue for debt under a civil case.

Several MEMBERS: You can sue, but you cannot collect.

Mr. GOODE: I would like to develop this for a moment: I had cases in the last war, and so did some members here, where these men were sued—I do not know the legal term—for a civil debt.

Mr. GUNN: To begin with, there is no provision in the Veterans Land Act whereby the minister may sue, but there is provision in case of default under which the particular case is referred to an advisory board set up under section 16 of the Veterans Land Act, and it is presided over by a judge of the county court in whose jurisdiction the land lies, and the director can take no proceeding whatever in the way of terminating a contract or rescinding a contract without going through that board, and from my observations over the years, that board is very sympathetic to any veteran who is in trouble.

Mr. GOODE: It would, then, take an order of the court before they can do anything.

Mr. GUNN: No, not quite. If that board should say that under all the circumstances there is no prospect of this veteran ever succeeding on his land or being able to pay for the land and make good as an established veteran, then the director may rescind the contract.

Mr. GOODE: Even if he was fighting in Korea?

Mr. GUNN: Yes.

Mr. GOODE: But you would not think it was possible they would do it.

Mr. GUNN: I would not think the advisory board—

The CHAIRMAN: There is nothing in our past experience to suggest they would. The position is they might, but we have simply said that service in Korea qualifies as residence for the purpose of his contract.

Mr. HOSKING: I would like to ask a question, which may not be quite relevant, but it is on allowances: suppose a soldier joins up in this war and is in Korea, what is the procedure for his wife, if he joined as a single man to claim for subsistence in a case of this kind if he does not wish to pay it?

Mr. BURNS: That would have to be answered by a representative of the Department of National Defence.

The CHAIRMAN: We have no jurisdiction over them until they cease to be soldiers and become veterans.

Mr. HOSKING: We are not interested—

The CHAIRMAN: It is not a question of interest. We have no knowledge.

Mr. HOSKING: I think something should be done about that situation.

The other thing is, if a veteran of the second World War had taken advantage of the re-establishment credit to get a university course, say, in

engineering, and at the end of this one decides to go back to university and take a course as a doctor, or some other course at university, would he be acceptable to be re-established twice?

The CHAIRMAN: No one can answer that question at the moment. That is one of the reasons why we cannot holus bolus apply the World War II veterans' charter to these particular people. It may be interesting, from the standpoint of those who are in the interdepartmental and departmental committee considering this matter, if the members of this committee would like to express their opinion as to whether, having had the advantage of an engineering course, and then, he wants to be a doctor, whether we could take him over again. That is one of the problems involved.

Mr. PEARKES: May I ask a question here: at the present time enlistment is into the active army; presumably the majority of the men would be going to Europe with the twenty-seventh brigade, but also, being enlisted into the active army, they could be sent to Korea as re-enforcements; are those men covered? Because we had a statement you will remember, by the Minister of Transport the other day, who said that men who were enlisting in the active army would not have their positions retained for them, that those who had enlisted—I cannot quote the actual words—

The CHAIRMAN: That was with respect to railway employees.

Mr. PEARKES: Yes, and their seniority, that if they were going into the special force they would have that seniority reserved for them. What is the case of a man who does not enlist in the special force—because I understand enlistment into the special force has now ceased—that joins the active army, and then, having joined the active army, is sent as a re-enforcement to Korea? Will he be covered?

Mr. BURNS: Clause (4) (2) applies to such personnel as Mr. Pearkes is asking about. It says: "the re-instatement in Civil Employment Act, 1946, applies to and in respect of (a) every person who since the 5th day of July, 1950 was enrolled, or being a member of the special force re-engages, for service in one of the regular components of the Canadian forces..." and it says here "for one term only and not more than three years", but we propose an amendment to that.

The CHAIRMAN: I think we can answer your question.

Mr. PEARKES: Very well.

The CHAIRMAN: We are now on clause 4:

4. (1) *The Reinstatement in Civil Employment Act, 1946*, applies to and in respect of every person who was enrolled for the purpose of serving in the special force, and every officer and man of the reserve forces who served on the strength of the special force, as though his service on the strength of the special force were "service in His Majesty's forces" as defined in paragraph (i) of section two of that Act; and for the purposes of the said Act the expressions "discharge" and "termination of service" mean.

- (a) in the case of a person who was enrolled for the purpose of serving in the special force, termination, whether by way of re-engagement or otherwise, of his service in the Canadian Army under the terms of such special enrolment, and
- (b) in the case of an officer or man of the reserve forces who served on the strength of the special force, termination, whether by way of return to reserve status or otherwise, of his service with the regular forces within one year from the date on which he ceased to serve on the strength of the special force.

That is clause 1: shall clause 1 carry?

Mr. GOODE: Mr. Chairman, if a man leaves the employ of a firm for the specific purpose of joining the special force, and through the act of the Minister of National Defence he is taken out of the special force and put in some other force—we will say the army service corps in the regular forces—what would be his status? He joined the force for specific service in the special force, and yet was changed by the minister.

Mr. BURNS: Well, it says, "every person who was enrolled for the purpose of serving in the special force": he would be covered by that. Also if he re-engaged—if he tore up his special force engagement and joined the permanent force, he is protected under 2 (a).

Mr. GOODE: Again, the minister made a statement, as I understood him, that if a man joined the regular forces, and not the special force, the department would consider he was engaging on a different career, and would not be entitled to re-instatement in civil life in his regular job.

Mr. BURNS: I think that was prior to the decision in 4 (2) having been taken by the cabinet.

Mr. GOODE: Then you think the minister's words—

Mr. PEARKES: It was about two weeks ago.

The CHAIRMAN: I think the amendment will make that clear.

Mr. GILLIS: No, I do not think it will, Mr. Chairman. The Canadian National Railways have refused to give leave of absence and continue superannuation privileges, and so forth, for employees of the National system who are leaving their employment to become members of the permanent force. When a man leaves his regular employment and becomes a member of the permanent force it is presupposed he is changing his vocation. From then on he is going to be serving in the armed forces of Canada, and when Mr. Chevrier was asked whether there was any government policy or not, his statement was to the effect that if a man left his regular employment to take regular employment in the armed forces, then the privileges we are discussing here were not extended to him. I think that is a reasonable decision.

Mr. BURNS: Mr. Chairman, I think the terms of 4 (2) will certainly indicate that he is covered.

Mr. GILLIS: The point I want to make is that that is not a government decision. That is a decision of the Canadian National Railways.

The CHAIRMAN: What is being pointed out by General Burns is that there is a government decision now which will be put before you when we get to it, which alters the determination of the Canadian National Railways.

Mr. PEARKES: The only point I do want to make is that men are not enlisted for the permanent force. They are enlisted into the active army, and they enlist for three years, perhaps thinking they are just going to Europe, some perhaps intending to make it a life-time profession, but the majority of the men would not know now whether they were really enlisting for three years and the intention of continuing after that, or not. Those are the people I want to see protected.

Mr. GILLIS: In my opinion that type of person is covered by this. The other question was a specific one based on the decision of the National Railways. The man leaves his employment and goes into the regular service: Is he entitled—and it has to do with the regulations under the C.N.—to superannuation, seniority, and that kind of stuff?

Mr. HOSKING: I would like to widen this to the case of a school teacher, a high school teacher who joins the permanent force; would he be entitled to have all the benefits of this Act as though he were going on teaching, and also derive all the benefits that would accrue to him as a permanent force soldier?

The CHAIRMAN: I think you are confusing it. Do you mean a school teacher who enlists in the special force and automatically gets all these benefits? Your question is, would he retain his seniority and superannuation rights as a teacher?

Mr. HOSKING: That is one.

The CHAIRMAN: The answer to that is "yes". What is the second question?

Mr. HOSKING: If it was the permanent force—

Mr. PEARKES: There is no such thing as the permanent force.

Mr. BURNS: The expression used is "regular components of the Canadian forces".

Mr. GEORGE: There is a point about short term commissions for five years, and not three.

Mr. BURNS: An amendment is proposed to clause 4 (2) which will protect everybody for three years after their enlistment or engagement.

Mr. GEORGE: Let us hear the amendment.

The CHAIRMAN: Could you read the proposed amendment?

Mr. BURNS: Mr. Gunn will read it.

Mr. GUNN (Director, Legal Division, D.V.A.): It is to delete the present subclause (2) and substitute therefor the following:

(2) The Reinstatement in Civil Employment Act, 1946, applies to and in respect of

(a) every person who since the fifth day of July, nineteen hundred and fifty, was enrolled, or being a member of the special force re-engages, for service with the regular forces and has served with the regular forces for a period not exceeding three years, and

(b) every officer or man of the reserve forces who since the fifth day of July, nineteen hundred and fifty, was called out for service with the regular forces and has served with the regular forces for a period not exceeding three years,

as though his service with the regular forces was "service in His Majesty's forces" as defined in paragraph (i) of section two of that Act; and for the purposes of the said Act, the expressions "discharge" and "termination of service" mean termination of his service with the regular forces.

That is the amendment, Mr. Chairman.

As you will observe, it gives re-reinstatement rights to anybody who has joined the regular forces since the fifth of July for a period not exceeding three years of service. If he gets beyond three years of service he loses his reinstatement right.

Mr. HARKNESS: Which means if he re-engages, being anything other than a commissioned officer?

Mr. GUNN: I do not think it makes any difference.

Mr. BURNS: Originally it depended on the term for which he engaged, and then it was pointed out that in the air force and the navy the normal engagement was five years. In the discussions of the National Advisory Committee on Manpower it was felt it would be inadvisable to make distinctions between the different services or between different classes of enlistment, and it was felt by the representatives of Management there that it would be better and simpler, and reasonable for them to administer, to have it by way of a protection of three years from the time of enlistment. It is in accordance with that view of the case, in which the representatives of labour who were there concurred, that this

amendment is being proposed. I would further remark, as I did during my general comment that if any of these people are obliged to continue to serve by an emergency and their service is required to be continued compulsorily for the period of that emergency, then this whole Act is going to come up for revision next year as provided in the last clause, and consequently any amendments necessary could be made at that time.

Mr. HARKNESS: Well, the situation is that everybody is covered except those people whose term of service is five years.

The CHAIRMAN: Three years of that is covered.

Mr. HARKNESS: Yes, but they cannot get out before the five years.

Mr. BURNS: Well, suppose something happened to them; suppose before that five years they are medically unfit; then they are protected. So are the people that go in for certain short service commissions, and certain people from the reserve called up—certain specialists they want to get.

Mr. HARKNESS: The point is that if nothing happens to them, and they are required to serve out the five years, they would not be protected.

Mr. BURNS: No, sir.

The CHAIRMAN: Well, when we come to review this Act again that might be interpreted as being in excess of this period, provided they do apply within three years to get out, and they were refused permission.

Mr. BURNS: The army engagement is three years. The air force and navy were not particularly keen about having this protection, because they feel they can get sufficient men who will enlist for five years with the idea of making it a career, but in order to protect those who may be out by three years, this change was made.

Mr. GEORGE: I will agree with what the deputy says about five years in so far as the navy and air force are concerned, but for short time commissions in the army the minimum is five years, and I have some of these chaps myself, and so have many others, who, through reasons of loyalty and what have you, have accepted short service commissions. It is the most insecure life I know of—five years and you are possibly out. I feel these chaps should be given more security and, while it is a good argument, it has not come up yet, because none of them have been in for three years, but I feel these chaps who are in for five years should have a little more security.

The CHAIRMAN: Just as a point of accuracy, some of the short service commissions are four years.

Mr. BURNS: Mr. Chairman, there is a point here: we have to consider, in these times that we are in, whether it is reasonable to expect employers to carry people who, after all, go into the service for periods of five years, which tends to be more than emergency service; whether it is fair to expect employers to re-instate such former employees. In connection with that, perhaps the representative of the Department of Labour, which department is responsible for the enforcement of this Act, might wish to say something.

The CHAIRMAN: We have Mr. Brown here from the Department of Labour listening in today. Would the committee like to have any observations from him? Mr. Brown, would you like to say something?

Mr. GOODE: Would Mr. Brown tell us please whether there has been any employer who has expressed the opinion that a man joining up for five years should not be extended the benefits of this Act?

Mr. BROWN (Chief Executive Officer and Solicitor, Department of Labour): Mr. Chairman, I think General Burns has explained the circumstances under which this amendment was framed. As far as the Department of Labour is concerned, we do not feel that the provisions of the reinstatement in Civil Employment Act should apply to persons who are joining the armed forces on a career basis. The section was tailored originally to take care of the three year term enlistments, but it was not designed to take care of people joining for a five year term, because those are regarded by the forces themselves as career enlistments, and the services themselves are not anxious to encourage men to terminate their service. When the matter was discussed in the manpower committee it was pointed out that there would be, in the natural course of events, a certain number of men who enlist for career service in the navy and air force whose service would be terminated within the three year period, and it was felt these men should be dealt with and given the same reinstatement rights as the persons who joined on the short service basis—that is, the three year term.

Mr. GEORGE: Could I ask, Mr. Brown, if consideration was given by the manpower committee to recommending to the Department of National Defence that these chaps be given the chance to retire at the end of three years? I know that would not be very popular with the officers who are trying to train these chaps, but in the case of short term commissions they just cannot get in on a three year basis.

Mr. BROWN: I do not know about that sir. I understood the term of these enlistments was three years, but I am not sure on that point. As far as the discussions in the Manpower Advisory Committee are concerned, it was felt if provision was made for reinstatement of the three year service, that was a reasonable provision at the present time, and if, after all, circumstances change later, the provision for reinstatement can be reviewed by this committee.

Mr. GOODE: What is the term of service of an officer joining the special force?

Mr. BURNS: I think it was the same time as the special force enrolment generally, but a very considerable number of them have converted to short term commissions.

Mr. GOODE: What do you mean by short term commissions in the special force—four years, did you say?

The CHAIRMAN: No, we were speaking about short term commissions, and these chaps that have been called back are four or five years; mostly five years. The chaps who were commissioned with the Korean forces I understand they were enlisted for the same as the men—18 months.

Mr. GOODE: Mr. Brown did not answer my question. Have the committee on manpower had any complaints from industrialists or employers regarding men joining the special force and refusing to re-employ them?

Mr. BROWN: No, they have not had any.

The CHAIRMAN: I think what we might do is carry (2) of 4, as amended.

Mr. HARKNESS: Mr. Chairman, before you finish with 4, in (b) (1) I do not understand the significance of the last phrase there: "within one year from the date on which he ceased to serve on the strength of the special force": what is the significance of that—"within one year"?

Mr. GUNN: Mr. Chairman, I think the answer lies in this: that otherwise the individual might choose to serve for a good many years—six, eight or ten

years—and later come to his employer and ask for re-instatement after such a long passage of time. In other words, he has got to get out of the army within a year after he ceases to serve in the special force.

Mr. GOODE: It is the same as in World War II.

The CHAIRMAN: World War II was three months.

Mr. GOODE: Oh, yes.

The CHAIRMAN: Shall subclause (2) carry?

Carried.

Clause 5:

5. (1) Subject to subsection two of this section, the Pension Act applies to and in respect of

- (a) every person who was enrolled for the purpose of serving in the special force, while serving in the Canadian Army under the terms of such special enrolment, and
- (b) every officer and man of the regular forces or reserve forces, while on service in a theatre of operations on the strength of the special force,

as though such service were military service rendered during World War II within the meaning of that Act and as though the service described in paragraph (c) of subsection one of section two of that Act included service in a theatre of operations on the strength of the special force.

(2) Subsection two of section eleven of the Pension Act does not apply to or in respect of any death or disability for which a pension is payable by virtue of subsection one of this section.

The discussion is on 5 (1).

Mr. BROOKS: What is subsection 11?

Mr. MELVILLE: That is the section governing service in peace time.

Mr. QUELCH: Are these men covered by the insurance principle in Canada?

Mr. MELVILLE: Mr. Chairman, and gentlemen, maybe a very brief explanation would make the pension status clear. The Pension Act provides for the regular forces in peace time; that provision is found in section 11 (2); "injury or disease resulting in disability or death is pensionable when it arose out of or was directly connected with service". During wartime, however, the provision is much more generous; "injury or disease resulting in disability or death is pensionable when it was attributable to service or was incurred during service". Clause 5 (a) of the bill being considered provides that all members enrolled for service in the special force are fully covered: that is to say, the so called "insurance principle" applies to them from the date of their enlistment. They have the same coverage as members of the forces have during wartime.

Clause 5 (b) makes provision for officers and men of the regular forces who are transferred or posted to the special force. They have this broader coverage when they serve in a theatre of operations. The reason for that is perfectly clear: the navy, for instance, as Mr. Burns has said, have ships engaged in Korean waters and naval personnel are fully covered by the broad principle there, as are the Royal Canadian Air Force on the air lift to Japan. There are certain members of the naval reserve who were on Canadian ships which were immediately transferred to Korean waters, and the mention in clause 5 (b) of "reserve forces" makes provision for those reservists who were caught during summer training on our Canadian ships and who served for some time in Korean waters.

Mr. PEARKES: May I ask Brigadier Melville, that would ensure that a man of the regular forces who was in Korea and who met with an accident while not actually on duty—perhaps he was on leave in Japan or in south

Korea—would be covered? I think you will all recall that there have been cases already where it has been a little doubtful as to whether the man was on duty or not when he happened to meet with an accident, and perhaps in some cases death followed.

Mr. MELVILLE: That is so, because when serving in Korea he was serving in a theatre of operations.

Mr. PEARKES: And even if he went on leave to Japan, he would still be covered.

Mr. MELVILLE: Yes.

The CHAIRMAN: You mean if he was hanging a picture and fell off the step ladder.

Mr. PEARKES: Yes.

Mr. HARKNESS: As I understand this, anybody who was enrolled for the special force, if in a train accident and injured or killed, he is covered.

Mr. MELVILLE: That is correct.

Mr. HARKNESS: But the man of the regular forces who has really been transferred in Canada and working with the special force, he would not be covered.

Mr. MELVILLE: No; he is already covered by the Act. We had 17 soldiers who were killed or died later as a result of the train wreck at Canoe River, and 42 men were injured. The member of the regular forces who was transferred to and was with the special force at that time, there is no question whatsoever as to what happened: his injury or death arose out of or was directly connected with service, so that pension is awardable under the Act.

Mr. HARKNESS: What about the reserve forces—an officer or man of the reserve forces?

Mr. MELVILLE: The same would apply: it would arise out of or be directly concerned with service, and would be pensionable.

The CHAIRMAN: Shall clause 5 (1) carry?

Carried.

Shall clause 5 (2) carry?

Carried.

Clause 6:

6. Subsections four and seven of section seven A of the *Civil Service Superannuation Act* apply to and in respect of every person who is enrolled for the purpose of serving in the special force, and every officer and man of the reserve forces serving on the strength of the special force, as though his service on the strength of the special force were service in the forces during World War II within the meaning of that Act.

Mr. BROOKS: Could it be explained now what subsections 4 and 7 of section 7(a) are?

Mr. BURNS: Essentially it is protecting the position of permanent civil servants serving in this special force. I would ask Mr. Parliament to give the detail of this section.

Mr. G. H. PARLIAMENT (Director General of Veterans Welfare Service, D.V.A.): Mr. Chairman, the subsection reads: "the period during which a contributor was absent on leave from the civil service in active or full time service in the forces during the war that began on the 10th day of September

1939 may be counted as service of the contributor for the purpose of computing allowances or gratuities under this Act, or the period of 35 years specified in subsections 1 and 2 of section 4 of this Act, although he has not made any contribution in respect thereof, and for the purposes of this Act, his salary during the said period shall be deemed to have been the salary authorized as payable to him from time to time during the said period".

Mr. CROLL: He does not make those contributions during the time he is in the army?

Mr. PARLIAMENT: That is right. The Act says, "although he has not made any contribution in respect thereof".

Mr. CROLL: Well does he make those contributions when he returns?

Mr. PARLIAMENT: No, they are waived during his period of service.

Mr. CROLL: Is that what it says?

Mr. PARLIAMENT: Yes: "although he has not made any contribution in respect thereof".

The CHAIRMAN: He picks them up, but pays nothing for his period of service. Shall clause 6 carry?

Carried.

Clause 7:

7. (1) Part IV of *The Unemployment Insurance Act, 1940*, applies to members of the special force as prescribed in this section.

(2) The expression "veteran" as defined in section ninety-two of the said Act includes

- (a) every person who was enrolled for the purpose of serving in the special force and whose service with the regular forces has been terminated within one year from the date upon which he ceased to serve on the strength of the special force, and for the purposes of the said Act, such termination, whether by way of re-engagement or otherwise, shall be deemed to be a discharge;
- (b) every officer or man in the reserve forces who has served on the strength of the special force and whose service with the regular forces has been terminated within one year from the date upon which he ceased to serve on the strength of the special force, and for the purposes of the said Act such termination, whether by way of return to reserve status or otherwise, shall be deemed to be a discharge; and
- (c) every member of the regular forces who has served on the strength of the special force and who has been discharged from the regular forces on medical grounds while on the strength of the special force.

(3) The expression "period of service" as defined in section ninety-two of the said Act,

- (a) in the case of a veteran described in paragraph (a) of subsection two of this section, means his period of service in the Canadian Army under the terms of such special enrolment;
- (b) in the case of a veteran described in paragraph (b) or (c) of subsection two of this section, means his period of service in a theatre of operations on the strength of the special force,

but does not include any period of absence without leave or leave of absence without pay, or time served while undergoing sentence of penal servitude, imprisonment or detention, or period of service in respect of which pay is forfeited.

(4) Upon discharge of any such veteran, there shall be credited to the Fund out of moneys appropriated by Parliament for the purpose, the amount of the combined contributions of the employer and employed person under the said Act at the combined weekly rate of ninety-six cents for a period equal to the period of service of such veteran up to a maximum period of service of five years, and for the purposes of the said Act such veteran shall be deemed to have been bona fide employed in insurable employment, except for the purposes of section ninety-three of the said Act, during the said period of service and all contributions shall be deemed to have been paid under the said Act in respect of such veteran during the said period of service; but where the period of service of such veteran exceeds ninety-one days and such combined contributions, when added to any contribution made with respect to him prior to such period of service, do not provide entitlement to benefit for at least ninety days, there shall be credited to the Fund for such purpose, contributions in an amount sufficient to provide ninety days' benefit for such veteran on his discharge.

(5) Sections ninety-three, ninety-four, ninety-six and ninety-six A of the said Act do not apply to any of the veterans described in subsection two of this section.

(6) The Governor in Council may by regulation provide that Part IV of *The Unemployment Insurance Act, 1940*, shall, in such manner as the Governor in Council may prescribe, apply to any or all of the persons described in subsection two of section four and their service in the Canadian Forces."

Mr. GEORGE: What are sections 93 and 94—

Mr. BROOKS: I was going to suggest—have we not a representative of the Department of Labour here who may be prepared to explain this?

The CHAIRMAN: Mr. Barclay is here, gentlemen, and we will call him.

Mr. R. G. BARCLAY (Director of Unemployment Insurance, Unemployment Insurance Commission): Mr. Chairman, this provision applies to those people enrolled in the special force or posted to the special force with one or two changes. The present change is that the veterans of World War II only received contributions from the government for their army service if after discharge they spent fifteen weeks in insured employment. In other words, the boy who came off the farm and went back to the farm, farm work not being insurable,—well, anybody had to work fifteen weeks. Under this provision we collect contributions for everybody who has served in this special force.

The second change is that the rate of contribution for veterans of World War II was based on their fifteen weeks employment after discharge. This provides a flat rate of 96 cents, which is the second highest class of contribution, and is based pretty well on their average earnings in the armed services.

Another change is that this provides a minimum; anybody who has served in the special force or been enrolled in the special force for a period of three months—it has here 91 days, that is, three months—and anyone who has been in the special force for that long will, on his discharge, be entitled to 90 days benefit. These sections that apply here—I did not bring a copy of the Act with me this morning—but they do not make any appreciable difference. They are just special provisions which count contributions for some other purpose, and they do not apply. Those are the special changes as between the provisions made for the veterans of World War II and the veterans of the special force.

The CHAIRMAN: The main change is that whereas only those in insurable occupations prior to their enlistment got benefits, in this case everybody gets it.

Mr. BARCLAY: If they serve for three months they get enough contributions for 90 days benefit after discharge.

Mr. HARKNESS: Do I understand there is going to be paid into the unemployment insurance fund for everybody that has served, even though it is assumed that everybody will not be unemployed.

Mr. BARCLAY: That is right.

The CHAIRMAN: It covers everyone—they will all be covered by the fund.

Mr. BARCLAY: We have received arrears for over 17,000 people discharged from the forces. We do not keep any statistics as to the number of those applying for benefits, but something like 4,000—we know from another source that something like 4,000 have applied.

Mr. CROLL: How much money have you got in the fund right now? What is the latest figure? I am interested.

Mr. BARCLAY: I have it here somewhere.

The CHAIRMAN: Well, perhaps I will have Mr. Barclay answer something else in the meantime.

Mr. PEARKES: I was going to ask whether with reference to 7 (3) (a) reference to the Canadian army there fully protects the man of the Royal Canadian Naval reserve? There are a few naval reserves serving in Korea now.

Mr. BARCLAY: They are fully protected under 7 (2) (b).

Mr. BROOKS: What would be the idea of collecting from everyone when you know there are a great number who will not receive benefits.

Mr. CROLL: How can you be sure of that?

Mr. BROOKS: I am just asking. He did say he knew there would be a great many who would not benefit.

Mr. BARCLAY: The whole principle of the insurance scheme is to collect from the many for the benefit of the few.

Mr. GILLIS: I would like to clarify one point; the veteran of World War II, before he was entitled to benefits under the Act, would have to make 90 contributions to the unemployment insurance fund by working in insurable employment.

Mr. BARCLAY: Yes.

Mr. GILLIS: The change you are now making means the veteran coming out of the service is entitled to three months benefits without working and making these 90 contributions.

Mr. BARCLAY: Yes.

The CHAIRMAN: Shall clause 7 carry?

Carried.

Mr. CROLL: Please do not forget you owe me an answer.

The CHAIRMAN: Have you found it?

Mr. BARCLAY: Yes. On April 30, \$627,760,902.75; \$8,300 have been collected.

The CHAIRMAN: Clause 8:

8. (1) The Governor in Council may by regulation provide that all or any of the enactments set out in Parts I and II of the Schedule to this Act shall, in such manner as the Governor in Council may prescribe, apply to

(a) any or all persons who, subsequent to the fifth day of July, nineteen hundred and fifty, were on service in a theatre of operations in the Canadian Forces, and

(b) the service of any such persons in the Canadian Forces.

(2) Nothing in any regulation made under subsection one shall prejudice any rights, benefits or privilege that any person had, under any of the enactments set out in this Schedule to this Act, prior to the coming into force of this Act.

Shall clause 8 carry?

Carried.

Shall clause 9 carry?

Carried.

Shall the schedule carry?

Carried.

Shall the bill as amended carry?

Carried.

Shall the title carry?

Carried.

Shall I report the bill?

Carried.

This afternoon, gentlemen, we will commence our deliberation of the Pension Act—the amendment to the Pension Act.

With respect to this, it is understood I will report this bill with your approval, and we will note that we know the proposed amendment and approve of it. We have not it officially before us.

The committee adjourned.

AFTERNOON SESSION

The committee resumed at 4 p.m.

The CHAIRMAN: Gentlemen, we have a quorum; will you please come to order? This afternoon we have for consideration bill 288, an Act to amend the Pension Act and change the Title thereof; and we have with us, as I promised, the chairman of the Pension Commission. I think that while, perhaps, everyone is reasonably aware of what is involved in these amendments it might facilitate the work of the committee if I asked the chairman to first give a brief explanation, and then he will be prepared to answer questions by members of the committee with respect to each clause in the amending Act as we come to it.

Mr. J. L. Melville, Chairman, Canadian Pension Commission, called:

The WITNESS: Mr. Chairman and gentlemen, my introductory remarks will be very brief because I hope the committee will find the explanatory notes and the references complete, as relating to each clause of the bill which will be before you. The main benefits to be conferred by the amendments in this bill are to make more adequate provision for children; to advance the marriage date line for World War I pensioners from the 1st of May, 1948, to the 1st of May, 1950; and also to increase what is termed the burial grant and provide headstones. I will be pleased to give more complete information as we come to each clause.

It will be found at the opening that the long title is being changed because of the use of the word "army" for "military"; and that same change will be found in a number of other clauses.

The CHAIRMAN: Shall clause 1 carry?
Carried.

Clause 2: member of the forces:

2. (1) Paragraph (i) of subsection one of section two of the said Act, as enacted by section one of chapter twenty-three of the statutes of 1940-41 and amended by section five of chapter sixty-two of the statutes of 1946, is repealed and the following substituted therefor:

(i) "member of the forces" means any person who has served in the naval, army or air forces of Canada since the commencement of World War I;

You will realize that the change there is the substitution of the word "army".

Carried.

Subclause 2:

(2) Paragraph (j) of subsection one of section two of the said Act, as enacted by section one of chapter twenty-three of the statutes of 1940-41 and amended by section five of chapter sixty-two of the statutes of 1946, is repealed and the following substituted therefor:

(j) "military service" or "service" means service in the naval, army or air forces of Canada since the commencement of World War I;

Shall the subclause carry?

Carried.

Subclause 3:

(3) Subparagraph (i) of paragraph (o) of subsection one of section two of the said Act, as enacted by section three of chapter sixty-two of the statutes of 1946, is repealed and the following substituted therefor:

(i) in the case of the army or air forces during World War I, service in the zone of the allied armies on the continents of Europe, Asia or Africa or in any other place at which the member of the forces has sustained injury or contracted disease directly by a hostile act of the enemy;

Shall the subclause carry?

Carried.

Subclause 4:

(4) Subparagraph (iii) of paragraph (o) of subsection one of section two of the said Act, as enacted by section three of chapter sixty-two of the statutes of 1946, is repealed and the following substituted therefor:

(iii) in the case of the naval, army or air forces during World War II, service on the sea, in the field or in the air, in any place outside of Canada; or service in any place in Canada at which the member of the forces has sustained injury or contracted disease directly by a hostile act of the enemy;

Carried.

We now come to clause 3: tenure of office.

3. Subsection four of section three of the said Act, as enacted by section two of chapter forty-four of the statutes of 1936, is repealed and the following substituted therefor:

(4) Each commissioner, except an ad hoc commissioner, shall hold office during good behaviour for a period of ten years from the date of his appointment, or for such lesser period as may be specified by the Governor in Council in the instrument of his appointment or re-appointment, but any commissioner, including an ad hoc commissioner, shall be removable at any time for cause by the Governor in Council.

Mr. QUELCH: What is the reason for the increase?

The CHAIRMAN: Briefly the reason is that at the time when this term was first introduced it was proposed to continue the then members of the commission, who had three years of service on their then contract, for the additional period, and the period was seven years. It has been changed now to conform with appointments to most boards and commissions of the government, and the period is ten years. There is nothing involved financially; it is just a question of bringing them into line with the usual practice.

Mr. BLAIR: How far does good behaviour go?

The CHAIRMAN: That, sir, I am completely unable to estimate.

Mr. BLAIR: Perhaps the chairman of the commission could tell us.

Mr. GOODE: What is the present status?

The CHAIRMAN: Seven years.

Mr. GOODE: How long are they there now?

The CHAIRMAN: They vary. Some go out every year. The commission has been going on for a long time. If you want an interpretation of good behaviour probably Mr. Melville could give it to you.

The WITNESS: That is beyond me.

The CHAIRMAN: I understand that that has always been the case.

Mr. BROOKS: How many ad hoc commissioners are there?

The WITNESS: There are nine commissioners at present and five ad hoc commissioners.

Mr. GOODE: What is an ad hoc commissioner?

The WITNESS: It is a temporary appointment for one year—

The CHAIRMAN: Or less.

The WITNESS: Or less.

Mr. BROOKS: Are the nine commissioners employed full time?

The WITNESS: All the commissioners are employed full time. The five ad hoc commissioners have been renewed from time to time as the situation warranted.

Mr. BROOKS: And they travel around the country.

The CHAIRMAN: Their duties are exactly the same. The only difference is that the ad hoc commissioner is appointed for a period of one year or less but he enjoys the same salary and remuneration and his employment conditions are identical.

Mr. CRUICKSHANK: I wish to ask for a little information. I want to know if there are sufficient commissioners. I suppose I can ask that under the clause?

The CHAIRMAN: Surely.

Mr. CRUICKSHANK: Are there sufficient ad hoc commissioners? Because my experience has been that when I as an individual or the Legion want reconsideration of a case the reply we generally get is: as soon as the commissioners can get around to hearing the case. I am not quarrelling with the salary but I am quarrelling that the veterans of World War I and World War II should wait the con-

venience of the commissioners until they can get around. If there are not sufficient commissioners to hear these cases well, we have plenty of people sitting around Ottawa drawing salaries who are doing nothing.

The CHAIRMAN: Would you want that kind of commissioner?

Mr. CRUICKSHANK: I wish to ask another question in which I am interested, and I think the chairman of the Pension Commission will bear me out: the Legion and I as an individual have had occasion to ask that certain cases be considered or reconsidered and I have accepted in good faith that the commission are doing their best—there are a large number of inquiries particularly with regard to World War I and World War II—to get around and cover all those cases, and I am going to ask—and I am entitled to ask—whether in the opinion of the chairman of the Pension Commission—and I am not questioning the dollars and cents—there are sufficient ad hoc commissioners to get around and handle these cases with expedition?

The WITNESS: I am very pleased to assure Mr. Cruickshank that there are enough. The Act provides for not more than twelve commissioners and not more than five ad hoc. At the present time there are nine commissioners and five ad hoc commissioners. The appeal boards of the commission are up to date. We were never in as good shape as we have been this last year. Four appeal board sessions have been held in British Columbia in the past year and the situation that applies in British Columbia applies equally to other parts of Canada. There are no arrears of appeal board hearings.

By Mr. Brooks:

Q. On whose decision is an ad hoc commissioner laid off if you find his services are not required?—A. On my recommendation to the minister.

Q. Are they ever laid off?—A. Oh, yes.

The CHAIRMAN: We have had, Mr. Brooks, to ask for ad hoc commissioners for a period of one year to deal with a specific situation—sometimes when a question of language is involved—and they know when they come on that the appointment is for a short period and they go off automatically.

Mr. BROOKS: I am not criticizing.

Mr. QUELCH: Have all the pension cases that were affected as a result of the amendments we passed to 11 (c) and on the question of the benefit of the doubt been reviewed since 1948?

The WITNESS: I am happy to report that we had a record on every case that came under section 11 (1) (c). We drew the files and reviewed the cases and in every case pension was brought into payment where indicated.

Mr. CRUICKSHANK: If I understood the statement of the chairman of the Pension Commission with regard to the appointment of these ad hoc commissioners, surely we want capable, qualified men to handle these positions. It is not reasonable that we get the calibre of men we want if we take them on for two or three months. What is the tenure of office for those people?

The CHAIRMAN: Those are exceptional cases. Normally an ad hoc commissioner is employed for one year and his appointment is renewed. There are only twelve full-time commissioners permitted. It has been regarded as necessary to have at least fourteen commissioners to handle the business, so there are always two ad hoc commissioners. At the present moment there are five ad hoc and nine regular appointments.

Mr. GREEN: Mr. Chairman, I do not think there is any clause in this bill under which, strictly speaking, a person could deal with the actual qualification for pension; but with your permission I would like to raise one point and that has to do with tuberculous veterans, particularly men who were prisoners of war. I heard of a case during the last year—

The CHAIRMAN: May I interject? What is the question? Is it the question of entitlement?

Mr. GREEN: Yes. I am asking how the commission deal with cases of that kind. I believe that if a man cannot show he had a trace of tuberculosis within a year of his discharge then it is practically impossible for him to qualify, and it seems to me there should be some special consideration given to those men who were prisoners of war. This particular lad came back completely run down and has been run down ever since, and it was two or three years before tuberculosis was diagnosed as such; and to me, or to anyone else on the street, it seems absurd to suggest that that tuberculosis was not caused, at least in part, by what the man went through as a prisoner of war. But he is unable to qualify, and I would like to have Brigadier Melville explain just how cases of that kind are dealt with.

The CHAIRMAN: Mr. Green, I think you are quite correct that the conditions of entitlement are not under amendment in the bill, but I would have no objection, for the information of the committee, if Brigadier Melville would give a brief explanation of how that entitlement is established. Such a discussion cannot lead to anything more than adding to the information of the committee, but if Brigadier Melville has that information I think I should permit him to indicate it. Can you give it?

The WITNESS: In answer to Mr. Green's question may I say that the commission may concede entitlement when we find that the injury or disease resulting in the disability was attributable to or was incurred during service. We realize very well in the case of those who have been unfortunate enough to incur tuberculosis that it may be some little time before the tubercular condition becomes manifest. As a consequence, a member of the forces may be discharged. There is nothing on his x-ray film. It is read as negative. Some time later he may develop T.B. The commission has accepted as a policy that when T.B. is diagnosed or is evident within one year of discharge from the service we will not ask for any further evidence. In other words we would accept that condition as having been incurred during service. Where the diagnosis is established beyond a period of one year then we make it our business to seek information from the member of the forces. We try to find out what he had done following discharge from the service; was he at work; did he have any complaints; did he report to any doctor, and if so what opinion did the doctor give, or did he establish any diagnosis.

In other words we endeavour—and I say this in all sincerity—to assist him in establishing his claim.

Mr. Green mentioned particularly the case of prisoners of war. Before members of the forces were discharged the directors of the medical services of the three services were asked to give particular attention to all former prisoner of war. They were to issue instructions to be very careful to question them regarding any illnesses or disturbances they had during the period of internment. If so, they were to be specially examined with regard to those conditions and information was to be recorded at that time as to when and where examination took place and from whom was medical attention or other attention received? Not only was that so, but arrangements were made with the Department of Veterans Affairs whereby prisoners of war were called in for re-examination at intervals of six months. Now, that had a very definite purpose: it was in order to determine if they had any complaints, and if so, arrangements were made to have a medical examination carried out and, if possible diagnosis established, and these were referred to the commission, so that all told a very special effort has been directed in the case of former prisoners of war because we realize full well they do not and did not have the benefit of all the facilities available to serving members of the forces.

Mr. GREEN: Well, this rule that if a veteran can trace his disease to within one year of the time of his discharge is simply a rule of thumb followed by the commission? It is not set out in any legislation.

The WITNESS: It is a general provision of the commission—a matter of policy.

Mr. GREEN: Policy rather than any regulation.

The CHAIRMAN: It is not statutory.

Mr. GREEN: Would it not be possible in the case of a prisoner of war to waive that period of one year and allow them in a little more latitude? That could be done as the policy of the commission just in the same way in the ordinary case they allow one year. I know the commission has done its best to help the men who were prisoners of war, but I am quite sure in this case, for example, that that boy should be getting a pension, but as long as the one year restriction remains in effect he has got no chance whatever. Would it not be possible in the case of a prisoner of war to adopt a little more lenient policy, and not set a time limit of one year?

The WITNESS: The time limit of one year is not rigid. It depends on the history, the entire history of the case—the industrial history and the history of the physical condition of the applicant; all that is taken into consideration.

The CHAIRMAN: Gentlemen, I have permitted the questioning of the chairman of the commission on a question with respect to the policy on something which is not closely allied, although it does perhaps have some relationship, to what is before us. I do not think we should do more than seek information, since we are not empowered to amend the Act in this respect. This involves the jurisprudence of the committee rather than the other. I think I should not allow a general debate.

Clause 4:

4. Subsection seven of section three of the said Act, as enacted by section four of chapter twenty-three of the statutes of 1947-48, is repealed and the following substituted therefor:

(7) The Chairman shall be paid a salary of twelve thousand dollars per annum, the Deputy Chairman shall be paid a salary of ten thousand dollars per annum, and each of the other Commissioners, including ad hoc Commissioners, shall be paid a salary at the rate of nine thousand dollars per annum; such salaries shall be paid monthly out of any unappropriated moneys forming part of the Consolidated Revenue Fund of Canada.

There is just one change in this subsection: when the salaries were last adjusted, the principle which was established by that committee, or a previous committee, that there should be a salary differentiation between the vice-chairman of the committee and the commissioners in general, was overlooked, and the purpose of this sub clause is to introduce into the statute, as is customary, the present salaries of the chairman and the commissioners, and to make it possible to pay an additional sum to the vice-chairman.

Shall clause 4 carry?

Carried.

Clause 5:

5. Section nine A of the said Act, as enacted by section six of chapter forty-five of the statutes of 1932-33 and renumbered by section twenty-nine of chapter thirty-two of the statutes of 1939, is amended by adding thereto the following subsection:

(3) A member of the Commission or the Court who at the time of his appointment as such held a position in the civil service or was

an employee within the meaning of the *Civil Service Act*, retains and is eligible to receive all the benefits, except salary as a civil servant, that he would have been eligible to receive had he remained under that Act.

Mr. BROOKS: This does not apply to the ad hoc?

The CHAIRMAN: No.

Shall this clause carry?

Carried.

Clause 6:

6. (1) Subsection one of section twenty-two of the said Act, as enacted by section twelve of chapter thirty-eight of the statutes of 1928, is repealed and the following substituted therefor:

22. (1) No pension shall be paid to or in respect of a child who, if a boy, is over the age of sixteen years or, if a girl, is over the age of seventeen years, except

- (a) when such child and those responsible for its maintenance are without adequate resources, and such child is unable owing to physical or mental infirmity to provide for its own maintenance, in which case the pension may be paid while such child is incapacitated by physical or mental infirmity from earning a livelihood: Provided that no pension shall be awarded unless such infirmity occurred before the child attained the age of twenty-one years; and that if such child is an orphan the Commission shall have discretion to increase such child's pension up to an amount not exceeding orphan's rates; or
- (b) when such child is following and is making satisfactory progress in a course of instruction approved by the Commission, in which case the pension may be paid until such child has attained the age of twenty-one years.

(2) Section twenty-two of the said Act is further amended by adding thereto the following subsection:

(12) When pension is awardable under the provisions of this Act in respect of the death of a member of the forces who died leaving a widow and child or children, such child or children shall be entitled to a pension in accordance with the rate payable for orphan children in Schedule B to this Act.

Do you want to say anything on that, Mr. Melville?

The WITNESS: I think the members of the committee will be interested to know that there are today 128,050 children on whose behalf additional pension is being paid.

Mr. BROOKS: Is the number increasing?

The WITNESS: Yes. We estimate that the maximum number of children who will reach the expiry age will be in the year 1959, when there will be 12,937. To give effect to this change for these children and removing this means test, we estimate the increase in annual liability for this year will be \$500,000, and in the year 1959 when we reach the maximum, it will amount to \$750,000.

With regard to widows, there are 4,633 widows with one or more children who will benefit by this change. Estimated cost over 2½ millions annually.

Mr. BROOKS: It is physical or mental incapacity that does not extend beyond 21. Supposing a widow had a child who was 24 or 25 years of age—an idiot child—would she receive?

The WITNESS: If the child was physically or mentally incapable before reaching the age of 21, then the commission may continue, and we are continuing in quite a number of cases, beyond the age of 21, but if the physical and mental disability occurs beyond the age of 21, we have no statutory authority.

Mr. BROOKS: Supposing the father and mother of that idiot child, or man or woman, was dead: would the commission take any responsibility for it after that?

The WITNESS: And we have been paying pension for the child prior to the age of 21?

Mr. BROOKS: Yes.

The WITNESS: We would continue and see the child was properly cared for, and the pension payable was administered to the full benefit of the child.

Mr. BROOKS: During life?

The WITNESS: During life.

Mr. GOODE: At this subsection (b) it says that the pension "may be paid": is that the usual language?

The CHAIRMAN: Where is that?

Mr. GOODE: At the top of page 4, it uses the word "may": does it leave the commission discretion? Does it not have to be paid if that child continues on at school? I have a few cases, and we all have cases.

The CHAIRMAN: I can answer that in a sense: it is conditional upon continued satisfactory progress in the course prescribed. A student cannot continue to draw pension and horse around on a course, and it is "may" in that case.

Mr. GOODE: It still makes that an obligation, at the bottom on page 3, if the child is making satisfactory progress, the pension may be paid.

The WITNESS: I would say, Mr. Goode, the parent has to make application. What we are doing, and what the commission intends to do is that when this amendment becomes law we will send out an insert with each pension cheque notifying pensioners of this change and advising them if they have children beyond the statutory age now to make application.

Mr. GOODE: You do not know of any cases? I have two or three in mind.

The WITNESS: No.

The CHAIRMAN: Shall the clause carry?

Mr. WHITE: You will notice in the notes on the opposite page it says, "in the amendment the means test is abolished": and yet section (a) starts off, "when such child and those responsible for its maintenance are without adequate resources", and that is underlined: is not that still a means test?

The CHAIRMAN: That was the condition before, that the pension might continue beyond age 17 if in the opinion of the commission the parents were unable to send the child forward to further education without assistance. The purpose of the amendment is to remove that means test.

Mr. WHITE: This is where the child has a physical or mental infirmity; is there still the means test there?

The CHAIRMAN: I am sorry, I was looking in the wrong place.

The WITNESS: There is a means test there, because that might mean carrying on the child indefinitely.

Mr. WHITE: Was the child not carried indefinitely before?

The WITNESS: Subject to the same conditions. If you look at the explanatory notes: "no pension shall be paid to or in respect of a child who, if a boy, is over the age of 16 years, or if a girl is over the age of 17 years, except when such child and those responsible for its maintenance are without adequate resources". As that restriction does not apply to the group in (b), it has to be inserted into (a). There is no difference from the statute as it exists today.

Mr. WHITE: As far as section (a) is concerned, the means test is still there.
The CHAIRMAN: That is correct.

The WITNESS: Yes.

The CHAIRMAN: Shall the clause carry?
Carried.

Clause 7:

7. Subsection five of section thirty of the said Act, as enacted by section seventeen of chapter forty-four of the statutes of 1936, is repealed and the following substituted therefor:

(5) If a member of the forces, in receipt of a disability pension was, before the first day of May, 1950, living with a woman to whom he was not legally married and since that date such woman has continuously been maintained by him and represented by him as his wife, the Commission may, in its discretion, if the said member of the forces has married or hereafter marries the said woman, award additional pension for a married member of the forces.

Mr. GREEN: Mr. Chairman, there are several of these date lines being changed: would it not be possible to change them to the 4th of May, 1951 instead of 1950? I presume they are worded the 1st of May, 1950 because the bills were prepared before the 1st of May, but what is the objection to bringing this provision right up to the present year?

The CHAIRMAN: I think that should be answered in two ways: in the first instance, we conformed pretty well to a long-established practice of striking these date lines two years at a time; in the second instance, the only objection I can see to it is that for us to amend it, would be, in effect, to amend the Act in a way which would increase the liability, which we have not the power to do. That is the only objection I would have to it. I should think that, if the committee felt strongly on the matter, when we reported the bill we might suggest by way of a recommendation that since it has already passed May 1950, it should be 1951. I do not think we have the power to amend the Act. I would not take much exception to the recommendation.

Mr. GREEN: I would move that recommendation be made.

The CHAIRMAN: I would think that would be in order. Your motion will be, Mr. Green: that when we report the bill that we recommend that this date in 7 be amended to read May 1951.

Mr. GREEN: It is in several different sections.

The CHAIRMAN: Well, we can do that two ways: shall we leave it for the moment and then, at the conclusion of the consideration of the bill, move a recommendation in the report? I would entertain such a recommendation at that time.

Mr. HOSKING: Mr. Chairman, there is one point: it is rather an odd case or condition, as I understand it: this man has lived with this woman for one year—living prior to 1950 and still is—and that means there is a certain period of time that has been broken up, and I can see the point of changing it, but to me it gives a little bit of solidarity that might be required.

The CHAIRMAN: I think all that is involved in these date lines is an extension before which such an arrangement must have been concluded or recognized. I do not think it has any bearing on the permanency of the union. In some instances people have lived together where there was a legal bar to marriage, and, either as a result of death or divorce, it becomes legally possible for them to marry, and they do so. There is a bar in the case of World War I veterans, a

date before which they must be married if they are going to get a pension in respect of their wife. There is nothing involved as to the permanency of these unions.

Mr. MOTT: Mr. Chairman, say for instance a veteran was living with a woman, and he had been married in Canada and was receiving a pension, only to find out after four or five years, after receiving the pension, that he is not legally married according to our divorce laws in Canada, and the pension has been cut off so far as she is concerned: would this be made retroactive?

The CHAIRMAN: I want to get this clear: when you ask if it would be retroactive, you are saying that the circumstances have been changed and it would be possible from this date to legally marry here?

Mr. MOTT: Yes, this would make it legal now.

The CHAIRMAN: Provided they may now legally marry.

Mr. MOTT: Then, a case of a Canadian soldier first war veteran who lived in Australia and married an Australian girl, and he was divorced in Australia, and his former wife was married. He came to Canada and he re-married, and they received the pension only to find out later on through the legal department of the pension board that this divorce granted in Australia is not recognized in Canada: therefore they cut her pension off two or three years ago. Now, this would make them legally married as far as the pension board is concerned?

The CHAIRMAN: No: this would mean this: for instance, we will presuppose that the wife from whom he is illegally divorced has since died and he is, in Canadian law, now free to marry; provided that had happened, and he re-married his Canadian wife, the period of the illegal association would be recognized. That is what is involved here, but it is only effective for those who, having lived in a common law relationship because there was a bar to their marriage, find that it is removed and now marry. That is correct, is it not?

The WITNESS: Yes. I would like to add for Mr. Mott's information that during the last two years, particularly since the subcommittee on veterans affairs considered some of these marriage problems, we have reviewed and are reviewing each one with a very, very sympathetic approach and a desire to assist them to legalize their position, so that we can pay the pension. I will be glad to look into the case in mind. We have cleared up many cases, and adjusted them to the satisfaction of the pensioner.

Mr. BROOKS: What constitutes representation by the man? "Represented by him as his wife"?

The WITNESS: Publicly represented.

The CHAIRMAN: Publicly acknowledged.

The WITNESS: Living together as man and wife and publicly represented as such.

The CHAIRMAN: Shall the clause carry?
Carried.

Clause 8:

8. Section thirty-one of the said Act, as enacted by section twenty-three of chapter thirty-eight of the statutes of 1928, is repealed and the following substituted therefor:

31. (1) Subject to subsection two, when a pensioner pensioned on account of a disability has died and his estate is not sufficient to pay the expenses of his last sickness and burial, the Commission may direct the payment of such expenses, or a portion thereof.

(2) The payment under subsection one, in the case of any pensioner, shall not exceed a total of one hundred and eighty-five dollars and shall not exceed

(a) one hundred and ten dollars in respect of funeral services,

(b) twenty-five dollars for cemetery charges, and

(c) fifty dollars for the expenses of the pensioner's last sickness, and where payment of a burial grant is made, the Department may furnish and erect a standard headstone if the burial is carried out in Canada.

Mr. BROOKS: Are there any such applications in Canada.

The WITNESS: Yes, last fiscal year we had 483 World War I cases for whom we made a grant under this section, and 140 World War II; a total of 623. One of the important features of this amendment is not only the increase in the grant but the fact that we will now provide a headstone. Many of these unfortunate graves are unmarked, whereas the department marks the grave of anyone on the department strength, and when a pensioner dies from his pensionable condition a marker is erected. If he is buried under the auspices of the Last Post Fund, a marker is erected.

Mr. BROOKS: What procedure has to be gone through in order to obtain this amount.

The WITNESS: Application is usually made by some relative, or someone advising us as to the cost of the funeral, the grave—all the charges—and giving us advice if there was any estate.

Mr. BROOKS: I had in mind the fact that sometimes in these cases, before you can get any guarantee that there will be a payment, of course, the man has to be buried, and so on, and it is sometimes very difficult to know just whether it is going to go through or not.

The WITNESS: The Last Post Fund, their facilities are available, and they take care of a great many.

By Mr. George:

Q. In the case of the Last Post Fund, application must be made and approval received before the burial takes place.—A. Yes, that is right.

Q. What are the regulations in this connection? Are they the same?—A. No; burial is carried out, and application is made to us giving us receipts for the expenditure incurred, satisfy the commission, and we go ahead without any question and pay.

Q. Is this going to relieve the Last Post Fund of some of their obligations—I use that word advisedly?—A. It does not encroach in any way on the work of the Last Post Fund, and this provision has always been in the Act, but up to the present the amount is \$100.

Q. By the department?—A. That the commission may pay. We are increasing that to \$110, and in addition, \$25 which we may pay towards cemetery charges.

Q. Where is the distinction between the Last Post Fund and this? This is almost a right, is it, where the veteran dies without any assets.

The WITNESS: If he is a pensioner. This applies to a pensioner. The pension commission under this is providing to take care more generously than it has been able to do in the past without infringing on the last post fund.

The CHAIRMAN: Let us take a hypothetical case of a pensioner and his wife: you used "receipt", but suppose she could not pay, would you accept bills?

The WITNESS: Yes.

Mr. RICHARD: What do the words "funeral expenses" include?

The WITNESS: All the services rendered by the undertaker or the mortician, as he calls himself, which would be the preparation of the body, the embalming, the provision of the casket, the transportation to the cemetery, and the interment.

Mr. RICHARD: What do you mean by "interment"? This has come up before in other cases, where, in my church, the undertaker has taken it all and the clergyman has to do everything for nothing.

The WITNESS: I am glad Mr. Richard mentions this point: that is why we have an allowance in here for \$25 for cemetery charges.

Mr. RICHARD: Does that include a church service in our church? I have seen cases where the clergyman carried the whole thing out, and the undertaker was well paid, and the clergyman did not have a cent.

Mr. BROOKS: Most clergymen run that risk.

Mr. RICHARD: Yes, but is it fair?

The CHAIRMAN: Shall clause 8 carry?

Carried.

Clause 9:

9. Paragraph (a), and the proviso thereto, of subsection two of section thirty-two of the said Act, as enacted by section twenty of chapter sixty-two of the statutes of 1946 and amended by section ten of chapter twenty-three of the statutes of 1947-48, are repealed and the following substituted therefor:

(a) in the case of service during World War I, if she was married to him prior to the first day of May, 1950; or if the marriage was contracted on or after that date additional pension on her behalf was awarded him under the provisions of subsection five of section thirty; and

(i) the death of her husband has occurred more than one year subsequent to the date of marriage, or

(ii) the death of her husband has occurred less than one year subsequent to the date of marriage and the Commission is of the opinion that he had at the date of such marriage a reasonable expectation of surviving for at least one year thereafter;

Provided that if the marriage took place between the thirtieth day of April, 1948, and the first day of May, 1950, no payment shall be made for any period prior to the first day of May, 1950;"

This is the proviso to prevent death bed marriages, gentlemen.

Shall the item carry?

Carried.

Clause 10:

10. Paragraph (b) of subsection four of section thirty-two of the said Act, as enacted by section twenty-one of chapter sixty-two of the statutes of 1946, is repealed and the following substituted therefor:

(b) Notwithstanding anything contained in paragraph (a) of this subsection, when a woman has been divorced or legally separated from a member of the forces, and such woman is in a dependent condition, the Commission may, in its discretion, award such pension not exceeding the rates set out in Schedule B to this Act, as it deems fit in the circumstances, although such woman has not been awarded alimony or an alimentary allowance, if in the opinion of the Commission, she would have been entitled to an award of alimony or of alimentary allowance had she made application therefor under due process of law.

Mr. GREEN: Mr. Chairman, how is the commission going to interpret these words: "legally separated"? In the province of British Columbia there are very few cases of what is called a "judicial separation". It is just as expensive to get that as it is to get a divorce, because you have to go to court and prove the case in the same way, so in most cases the husband and wife separate by drawing up a separation agreement: they are legally separated just in the same way as if they went to court, but if these words "legally separated" are to be interpreted to mean "separation by agreement" then, I have no further complaint, but I think that should be cleared up.

The CHAIRMAN: The position at the moment is that the divorcee gets better treatment than the legally separated, and it is to bring about uniformity.

The WITNESS: That is exactly the situation. Those who were legally separated were not provided for, and there are certain provinces where we find it necessary to bring in this amendment.

Mr. GREEN: Your explanatory note was what worried me about the whole clause, because there you say some people are barred by religion or otherwise from obtaining divorce and can only obtain a legal separation. That only applies to one province, and if you are going to interpret your new clause as just covering that sort of legal separation, then, it obviously will be of no help in any of the other provinces.

The WITNESS: It would be of no help in the other provinces because if there is divorce, then, we can take care of the situation, but in those provinces where divorce does not apply, we are making provision now for legal separation.

Mr. GREEN: Then, you will give no help to the wife where there is a separation agreement.

The WITNESS: No.

The CHAIRMAN: In any province where is it possible for her to get a divorce? That is what you mean?

Mr. GREEN: Well, for example, British Columbia.

Mr. BROOKS: Mr. Green's point is that you may have a legal separation in the province of Newfoundland where they could get the benefits, and the same type of separation in the province of Ontario or British Columbia, where they could not get the benefit.

The CHAIRMAN: The thing is this: it is a correction of an inequity which now exists. At the present time in any province where divorce is possible there is relief and assistance, but in two provinces you are just out of luck.

Mr. GREEN: But the grounds are different for divorce.

The CHAIRMAN: They are different in every province.

Mr. GREEN: I know in our province you can get a judicial separation by proving adultery, but you cannot get a divorce. It seems to me this should be broad enough to cover a judicial separation.

Mr. HENDERSON: Although the laws of our country may admit the domicile of a husband, how does your department consider the cases where the pensioner was in England to obtain a divorce, or down in the States to obtain a divorce, and left his widow and children here? What is their status then? Although they are divorced legally, Ontario for instance, and some of the other provinces are the same, say they are not divorced, but as far as the other countries are concerned, where he got the divorce, they are divorced.

The WITNESS: Mr. Henderson mentioned some of the very unfortunate cases that reach the commission, and in which we are trying to arrive at a satisfactory solution. Some members of the forces were married overseas: their wives did not return with them to Canada. The wife has secured a divorce in Great Britain, and he returns here: the divorce is not recognized in Canada, and then he re-marries, and we are frankly endeavouring to arrive at some solution of that problem at the moment.

Mr. HENDERSON: And the other problem, where the husband goes outside the country to get a divorce.

The WITNESS: That is the same thing.

Mr. HENDERSON: In other words, there is no legislation to take care of that?

The CHAIRMAN: No. I can say out of a full heart and experience that this has been one of the serious problems before the Department of Veterans Affairs and at least three committees for the last six years. We had a subcommittee of the last committee who reported that it was a difficult problem. As far as I am concerned, I am one of those who have urged persistently over a period of time that we should not in awarding pensions look behind a marriage certificate, but that point of view has not yet prevailed, and I do not think it is capable of solution by us here. I think it is a good thing to have it drawn to our attention.

Mr. HENDERSON: In the meantime there are special hardships with children.

Mr. STEWART: What is the department's treatment of the words "legally separated", in connection with that? And the broad interpretation of that, if I draw up a separation in my office, they are legally separated. At the moment it has to be a pronouncement of a court—or will they take a simple separation agreement drawn between the parties?

The CHAIRMAN: The proposal in this present enactment is this, putting it in laymen's language: because in all provinces but two an aggrieved spouse may get a divorce, and the commission recognizes that divorce, but because in the other two provinces divorce is impossible, and only a legal separation is possible, that in those provinces where divorce is not permissible, that the commission have the power to recognize a legal separation in those provinces, in the same way as they recognize divorce.

Mr. STEWART: Yes, but leaving aside those two provinces, we have certain people of religions in these other provinces that do not believe in divorce, and they take a legal separation. They have a solicitor draw up a legal separation. Are you going to say that in the two provinces with a legal separation they can get this, and in the other provinces with a legal separation—drawn up by a law firm—that they cannot get it?

The CHAIRMAN: There is no provision in this amendment for any benefit where divorce is possible.

HONOURABLE MEMBERS: Well, how are you going to interpret "legally separated"?

The CHAIRMAN: Perhaps the chairman of the commission will answer that.

The WITNESS: I anticipated some questions regarding marriage problems, and I had a statement prepared yesterday which is very short and might be put on the record, because it resulted from the work of the subcommittee in 1948. I asked two questions: the number of cases reviewed; and the outcome:

Following upon the direction contained in the Report of the Subcommittee to the Special Committee on Veterans Affairs, as recorded in the Minutes of Proceedings dated Thursday, June 17, 1948, the Commission undertook a review of every case in which pension or additional pension to dependents had been refused due to some defect in the marital status.

One hundred and seventy-nine cases (179) have been reviewed. In twenty-two (22) of these cases there was no evidence of the pensioner having been married, and they have been withdrawn from the list.

That is after communication with them and establishing that fact.

In the one hundred and fifty-seven (157) remaining cases it has been the active policy of the Commission to endeavour, in so far as is possible, to advise the applicants as to what evidence the Commission considered necessary for them to succeed in their application. Where helpful, the Commission took steps, without expense to the pensioner, to assist him in obtaining the necessary evidence to put his domestic affairs in order.

Twenty-eight (28) of these pensioners have succeeded in rectifying their marital situation and additional pension is now in payment in these cases. Two others are awaiting the lapse of time to remarry.

That is the divorce decree and the interval of time before it is absolute.

Of the remaining one hundred and twenty-seven (127) cases, six have lapsed through death and one application has been withdrawn by the pensioner, leaving a balance of one hundred and twenty (120) cases in which pension or additional pension has been denied due to some marital irregularity. When it is considered that in addition to World War I, the enlistments in World War II were over one million, these figures speak for themselves.

It must be borne in mind that the one hundred and twenty (120) cases remaining are receiving the active attention of the Commission, and it is hoped that with the co-operation of the pensioner this list in time will be further reduced.

The Commission's study of this particular group leads to the conclusion that the peak has long since been passed, as no adverse decisions on the ground of marital irregularity have been rendered by the Commission within the last six months.

It should be realized, however, that there will always be a number of cases in which the domestic situation cannot be regularized: for example, where the applicant has married four or five women without dissolving the previous marriages, or where another woman impersonates the veteran's wife, etc. These cases, fortunately, are in a minority.

With regard to these questions of separations, the commission will be very pleased to give careful attention to the discussion and remarks which have been passed here, and see what can be done.

Mr. RICHARD: Do I take it legal separations only apply to Quebec and Newfoundland, and in all other provinces there must be divorce? There is divorce in New Brunswick and legal separation; you can get one or the other. If a woman gets legal separation in New Brunswick—she might not have been able to get a divorce depending upon what proof she had—do you mean to say she would not come under this?

Mr. STEWART: There is no definition of what a legal separation is. It is a perfectly legal separation if you and your wife come into any of our offices in Saskatchewan—and the same applies in Ontario—and you sign an agreement whereby, say, the wife takes the custody of the children and you agree to live separately and apart and not molest each other. That is recognized in the courts. There is the other method of going to the court and suing for a judicial separation, but the word "judicial" is not used here. Will the commission recognize separation papers drawn between husband and wife where one takes custody of the children, or something like that, without any court order?

Mr. QUELCH: You stated that you will only recognize legal separation in Quebec and Newfoundland. Now, this is the question I want to ask: it is not mentioned as so in the Act; are you saying this: that the commission will only

exercise its discretion in those two provinces? It says "the commission may in its discretion": are you saying they are only going to use that discretion in those two provinces?

The WITNESS: No, but we were faced with a situation whereby applicants found they had no redress whatsoever.

Mr. QUELCH: No, on the reply to Mr. Stewart, it is not mentioned in the Act, nevertheless you are only going to use that as far as Newfoundland and Quebec is concerned?

The WITNESS: There is a difference between legal separation and separation by agreement of both parties.

Mr. STEWART: A separation by agreement is a legal separation, recognized by our courts, and ordered by them.

Mr. QUELCH: But they are not going to recognize it in any province except Quebec and Newfoundland.

The CHAIRMAN: It occurs to me that since what is involved is the provinces where divorce is not permitted, where the objection to divorce is on religious grounds, that a wife of that religious persuasion in another province, being still debarred from divorce by virtue of her religion, although not by the law of the province, would be in an inferior position than if she remained in Quebec or Newfoundland. Under the circumstances, Mr. Chairman of the Commission, would it not be possible under this proposed amendment for your commission, having the power to interpret its own legislation, to rule that in the case of a person who was barred, by the same set of circumstances of conviction, if not by law, to receive consideration, even though she lived in Saskatchewan.

The WITNESS: The answer to that is "yes".

The CHAIRMAN: Under those circumstances, what you are going to decide, whether you will rely on divorce or whether you will rely on legal separation, is not going to depend on where the person lives, but the reason for the bar against divorce.

Mr. QUELCH: In other words, on a person's religion?

The CHAIRMAN: Exactly.

Mr. QUELCH: That is a very bad principle.

Hon. MEMBERS: Oh, oh.

Mr. DICKEY: Mr. Chairman, I think the problem at the present time is, if a couple are divorced, that certain provisions can be made under the Pensions Act for the payment of pension. All provinces in Canada have a variety of reasons: many couples wish to live separate and apart without going through the proceedings of divorce. In many cases there may not be grounds for divorce, but the parties want to live apart. There are two ways that can be done in most provinces in Canada—I do not know about all of the provinces: the common, usual way is by way of legal separation which is simply an agreement drawn up between the parties under seal whereby they agree to live separate and apart, and make provision for the custody of children, and other matters that have to be decided between the parties. The other way is the more formal and more difficult way, and exceptional way, by applying to the court for a judicial separation. As I understand it, the intention of this particular amendment is to place couples who wish to separate without divorce in the same position as the couples who separate with divorce, and the only problem that really arises is how the term "legally separated" is going to be interpreted. I do not think it has anything to do with the geographic location of the party, or their religion or anything else. It is simply a fact that they intend to live separate and apart without divorce.

Mr. QUELCH: What are you basing your argument on? We have had the other interpretation by Brigadier Melville.

Mr. DICKEY: I base it upon what is before us.

Mr. GOODE: Is it possible to get a judicial separation in the provinces of Quebec and Newfoundland.

The CHAIRMAN: I do not think so.

Mr. JUTRAS: They can get a separation agreement.

Mr. GOODE: Through the court?

Mr. STEWART: If you put the word "judicial" in, you are merely taking the parties into court and washing the dirty linen there, and also bringing the children into court. The effect of a legal separation—and that term would in ordinary parlance—and I think the judges would so find—would include a simple separation agreement where the parties cannot get on and they may agree that the wife takes care of all the children and the husband will pay so much a month. If the commission is furnished with that agreement, will they act under it? If they will not act under that, are they going to require the parties, against their will, to go and get a judicial separation?

The CHAIRMAN: Perhaps if Mr. Melville will take the act as it is and indicate what they hope to accomplish we will have a better idea.

Mr. BROOKS: Could we not write the interpretation of "legal separation"?

Mr. GOODE: Could I get an answer about judicial separation?

The WITNESS: Gentlemen, if you will look at the preceding subsection of the same section in the Act, which I will read, you will see where the difference exists, and why this amendment has been brought in. The preceding section deals with pensions to a divorced, legally separated woman, et cetera, awarded alimony:

4. (a) A woman who has been divorced, legally separated or separated by agreement from a member of the forces who has died shall not be entitled to pension unless she was awarded alimony or an alimentary allowance, or is entitled to an allowance under the terms of the separation agreement, in which case she shall be entitled, if she is in a dependent condition, to the equivalent of the widow's pension or to the equivalent of the alimony or alimentary allowance which she was awarded, or of the allowance to which she is entitled under the terms of the separation agreement, whichever is the smaller in amount: Provided that when such amount is smaller than the widow's pension it may, in the discretion of the Commission, be increased to an amount not exceeding the rates set forth in Schedule B to this Act.

Now, in coming to subsection (b) which we are considering, you will note it was limited to divorce, and it was felt necessary to amplify this section by the amendment which has been suggested, so that subsection (b) would conform in general principle to the provision in subsection (a).

Mr. GREEN: It does not conform, because you have left out the words "separated by agreement" which appear in subsection 4 (a): there you have the three provisions, "divorce, legally separated, or separated by agreement", but in your new provision you leave out the case of a woman separated by agreement.

The CHAIRMAN: Would you, Mr. Stewart, like to move, in order to make conformity here, that the wording in (b) be amended to agree with the wording in (a), so that it would then read, "or a woman who has been divorced, or legally separated, or separated by agreement"?

Mr. STEWART: Yes, that will cover every province.

The CHAIRMAN: That will then make it do what I thought it did.

Mr. STEWART: In the matter of the administration, I think you will have no difficulty there, because the commission will look at that agreement.

The CHAIRMAN: Those in favour of the amendment, including the words in line 31, after the words "or legally separated", include "legally separated or separated by agreement"?

Mr. DICKEY: Mr. Chairman, I noticed the balance of the section contains the words, "not been awarded alimony or an alimentary allowance", and then the words "alimentary allowance" are repeated again: it might be well if the legal officers of the department consider whether some addition needs to be made to those words to include an allowance made under the agreement. These two only apply to alimony given as a result of the action for divorce, and an allowance made by the court as a result of a decree of judicial separation. There may be some addition needed in the wording.

Mr. STEWART: I think the committee on that have unanimously agreed that if they find it necessary, yes.

The CHAIRMAN: First of all, are the committee in agreement with the amendment?

Agreed.

I am going to ask the committee to stand this item, and permit the chairman to take advice with respect to redrafting in that way.

Mr. GREEN: That is in the present 32 (4): there you have the words: allowance to which she is entitled under the separation agreement.

The CHAIRMAN: I think that is all right, but I want to be sure. I am not going to report this tomorrow, anyway.

Clause 11:

11. Paragraph (a), and the proviso thereto, of subsection one of section thirty-two A of the said Act, as enacted by section seventeen of chapter twenty-three of the statutes of 1940-41, as amended by section twenty-two of chapter sixty-two of the statutes of 1946 and section eleven of chapter twenty-three of the statutes of 1947-48, are repealed and the following substituted therefor:

(a) in the case of service during World War I, if she was married to such member of the forces either before he was granted a pension for the injury or disease which has resulted in his death or, if the marriage took place subsequent to the grant of such pension, she shall be entitled to a pension if she was married to him prior to the first day of May, 1950, and

(i) the death of her husband has occurred more than one year subsequent to the date of marriage, or

(ii) the death of her husband has occurred less than one year subsequent to the date of marriage and the Commission is of the opinion that he had, at the date of such marriage, a reasonable expectation of surviving for at least one year thereafter;

Provided that if the marriage took place between the thirtieth day of April, 1948, and the first day of May, 1950, no payment shall be made for any period prior to the first day of May, 1950;

Shall clause 11 carry?

Carried.

Clause 12:

12. (1) Section forty-five of the said Act, as enacted by section twenty-five of chapter sixty-two of the statutes of 1946, is amended by striking out the word "military" therein and substituting the word "army" therefor.

(2) The proviso to the said section forty-five is repealed and the following substituted therefor:

Provided that payments may be made under the provisions of this section only to or in respect of such persons as are residents of Canada and during the continuance of their residence therein; and further provided that no payments may be made under these provisions in respect of any period prior to June first, one thousand nine hundred and forty-six.

MR. GEORGE: Mr. Chairman, why the change? We were reversing that in the other Act.

THE WITNESS: This change will be found in Sections 45, 46 and 46A in the Act. A Canadian who serves with the forces of His Majesty, of His Majesty's allies, and incurs a disability, is entitled to have the awarded pension from that government brought up to the same as would be awarded to a Canadian under similar circumstances, with the proviso in the Act: "during his residence in Canada". We have the case of quite a few supplementary pension cases wherein he, himself, may leave Canada on duty—his home may be here—and we continue to pay the supplement awarded on behalf of his dependents, but because he is not resident in Canada, we do not pay for him: or his wife may leave.

THE CHAIRMAN: The question was, why did you substitute "army" for "military"? It is suggested that is the reverse of what we did previously: "is amended by striking out the word 'military' therein and substituting the word 'army' therefor".

HON. MEMBERS: It is exactly the same.

THE WITNESS: Striking out the word "military" and putting in "army" is correct.

THE CHAIRMAN: I beg your pardon?

Shall section 12 carry?

Carried.

Clause 13: shall subclause 1 carry?

13. (1) Section forty-six of the said Act, as enacted by section twenty of chapter twenty-three of the statutes of 1940-41 and re-numbered by section twenty-five of chapter sixty-two of the statutes of 1946, is amended by striking out the word "military" therein and substituting the word "army" therefor.

Carried.

Clause 13, subclause 2. Mr. Melville just explained that. Shall that carry?

(2) The proviso to the said section forty-six is repealed and the following substituted therefor:

Provided that payments may be made under the provisions of this section only to or in respect of such persons as are residents of Canada and during the continuance of their residence therein.

Carried.

Shall section 14 carry?

Carried.

Shall section 15 carry?

Carried.

Shall section 16 carry?

Carried.

Clause 17:

17. Paragraph (b) of section sixty-two of the said Act, as enacted by section twenty-seven of chapter thirty-two of the statutes of 1939, is repealed and the following substituted therefor:

- (b) such medical advisers and other persons, including duly authorized representatives of veterans' organizations incorporated under *The Companies Act, 1934* as may be consulted by or on behalf of the person whom the records or material directly concerns, in the preparation and presentation of an application for pension, and

That is to permit a man to give an authorization to the Legion or to the Army, Navy and Air Force Veterans or other nationally organized body who have access to his documents which are privileged.

Mr. GREEN: Mr. Chairman, we had evidence to the effect that either one or both of these organizations are now incorporated under the *Companies Act, 1934*. In fact, I think the Legion is not incorporated under the *Companies Act*. The Legion has a special charter, has not it?

The CHAIRMAN: This was brought to our attention, that is true.

Mr. BROOKS: The Legion was incorporated under the *Companies Act* of the provinces.

The CHAIRMAN: I recollect that Major Wickens did draw attention to it; I remember the incident. I will ask Mr. Goode to move that "such medical advisers and other persons, including duly authorized representatives of the veterans organizations incorporated under an Act of Parliament", striking out the words "*Companies Act of 1934*".

Mr. GEORGE: Mr. Chairman, on that point: Are some of the other organizations, are they all incorporated by the federal government?

The CHAIRMAN: It has not been the practice, nor, as I understand it, is it the intention to broaden the basis of those people who may have access to the confidential documents of a veteran, but to make sure that the position of those people who have been having access to them, is regularized.

Mr. GREEN: Has not this amendment been brought in in order to keep certain people out? I may not be right, but it looks to me as though that is the reason. It does seem to me that further consideration should be given to the amendment, and we should know just who is going to be kept out and who is going to be allowed to see the files. You may have a soldiers organization incorporated under the *Provincial Companies Act*, and it may be a thoroughly responsible veterans organization, and yet the amendment you are proposing, if that goes through, would mean that organization would not be able to see the files. You are restricting it to organizations incorporated by Acts of Parliament—that means the federal parliament.

I think we should have complete information on this point before we agree to a change. The way the section reads now is "such medical advisers and other persons including representatives of soldiers service organizations". That is the way it has been for many, many years, and before we make a drastic change of this kind I think we should be given more information.

The CHAIRMAN: I suggest this section stand and we will have it re-drafted. There is evidently some element of confusion raised by the representations of Mr. Wickens.

Mr. GREEN: What is the objection to putting in the words: "including responsible veterans organizations"?

The CHAIRMAN: That is too wide, I think. Who is going to decide that? At the present moment I would not like to make that decision.

Mr. GREEN: Well, who is making the decision now? Right now are some veterans organizations being refused the right to see files?

The WITNESS: The department is responsible for the custody of all files. Some organizations may be refused access to files because it is not considered in the best interest of the veteran that the organization should have access. As the Act is constituted now, it says, "soldiers service organizations": The term "soldiers" does not sound proper today, and "soldiers service organizations" today would include "in" service and "out" service organizations. The intention is to make this clear, and express who should have access to the files.

Mr. GREEN: Yes, but I think it is an amendment that should be given very careful consideration.

The CHAIRMAN: I will ask that this stand.

Mr. HENDERSON: Do you require the written authority of the pensioner himself before the file goes to our organization?

The WITNESS: Yes, a written authority is received from the pensioner for access to his file, and that authority is placed on the file, and the file is examined in the presence of a responsible official of the department.

Mr. GOODE: It never leaves your custody?

The WITNESS: No.

The CHAIRMAN: Clause 18:

18. (1) Paragraph (a) of section sixty-seven of the said Act, as enacted by section seventeen of chapter twenty-three of the statutes of 1947-48, is repealed and the following substituted therefor:

(a) in respect of service during World War I, under Schedule A or Schedule B to this Act, to or in respect of any child of a member of the forces or pensioner if such child was born on or after the first day of May, 1950, of a marriage contracted on or after that date;

This, again, is the switch of the date line.

(2) The said section sixty-seven is further amended by adding thereto the following subsection:

(2) The limitations contained in this section do not apply in any case where additional pension is awarded under subsection five of section thirty of this Act.

(3) This section shall come into force on the first day of May, 1951.

Shall clause 18 carry?

Carried.

Clause 19:

19. Schedules A and B to the said Act, as enacted by section eighteen of chapter twenty-three of the statutes of 1947-48, are amended by striking out the word "Military" wherever it appears therein and substituting the word "Army" therefor in each case.

Shall clause 19 carry?

Carried.

Mr. GREEN: About that suggestion to change all these dates from May 1st, 1950 to May 1st, 1951, I would point out that in 1948 we brought the date up to the first of May, 1948.

I would move that we recommend all these dates be made the 1st of May, 1951.

The CHAIRMAN: It is moved by Mr. Green and seconded by Mr. Harkness that this committee in reporting the bill recommends that the date line appearing as May 1950 throughout the amending bill be amended to read May 1951.

Mr. GOODE: What does this mean?

The CHAIRMAN: It means that instead of hoisting the date line two years from the last date we will be hoisting it three years, since we have already passed May 1950. It does not materially affect the financial obligation, I am informed, but it does make it administratively closer to the two year period. It will go forward in the form of a recommendation to the bill as carried. Those in favour of the recommendation?

Contrary, if any?

Carried.

That concludes the consideration of bill 288, with the exception of two items which stand, that is, as sent forward. I would like however to point out to the committee that there is in the bill one other situation arising which I think the committee might wish to recommend.

Section 29 (4) of the Pension Act reads:

Notwithstanding the provisions of subsection one and two of this section, any addition to pension granted under subsection one or two of section twenty-six of this Act to a member of the forces who is blind shall be paid during the time he is an in-patient under treatment or care from the Department.

The suggestion is that the words "or two" be deleted from line 3 of that subsection.

The reason for the recommendation is that subsection (2) of Section 26 was repealed in 1948, and the reference in 29 (4) should have been deleted at that time.

Will you move that, Mr. Jutras?

Mr. JUTRAS: Yes.

The CHAIRMAN: Seconded by Mr. Roberge. Those in favour? Contrary if any?

Carried.

Gentlemen, before we came to the consideration of this, representations were made to us by the Silver Cross Mothers: I apologize for not having had an opportunity of mentioning this to the steering committee. They asked first for advice as to whether or not they should come to speak to the committee about their representations presented in a brief to the members of parliament last session, or whether we would be prepared to bring their brief to the attention of the committee. The subject matter of their brief basically is not touched upon in the amending bill before us. The secretary wrote to them and said that if they would send us 35 copies of their brief they would be distributed to the members of the committee, and he tells me they are here, and will be in your mail boxes tonight. It struck me that the committee might desire to move that their brief be printed as an appendix to today's minutes.

Mr. GOODE: I so move.

The CHAIRMAN: Seconded by Mr. George. Those in favour? Contrary if any?

Carried.

They realized, I think, that they were asking basically that dependent parents be pensioned as of right, as in the case of a wife, rather than

under the present circumstances. That is not before us, but in view of our interest in them and the fact they had this brief prepared, I had thought the committee would have wished to have it added today.

Before we adjourn, we have left just the two items in this bill to be redrafted, and then we have a further very short bill in connection with the Veterans Business and Professional Loans Act and one bill amending the Insurance Act. There is a second bill amending the Returned Soldiers Insurance Act which is still in the resolution stage in the House. We have made very good progress. I know we are all exceedingly busy with committee work, and if it is the wish of the committee I had thought that we might adjourn tonight to the call of the chair, it being my intention that we could probably deal with these two small items in two sessions next Thursday.

Agreed.

The meeting adjourned.

APPENDIX "A"

SILVER CROSS WOMEN OF CANADA

(REMEMBRANCE ASSOCIATION)

National Council

The Silver Cross Women of Canada have been granted a Charter by the Dominion Government under the name of "Remembrance Association".

These women are the mothers and widows of men who have given their lives in military service, and whom the Government has presented with Silver Crosses.

We are presenting a Resolution to the Government, asking for more adequate pensions for dependent mothers, and appeal to you for your support.

We enclose a more detailed explanation of our aims and the Resolution.

Yours respectfully,

President

Chairman of Pensions

It has come to the knowledge of the Chapters of the Remembrance Association (Silver Cross Women of Canada) that there are many cases of parents of deceased servicemen who have no adequate means of support.

The present Canadian Pension Act does not grant pensions as of right to such parents. The dependency of such parents must be established. Any pensions granted them are dealt with as special cases under Section 33 of the Act.

Take an extreme example. A soldier killed in the line of duty left both a wife and a widowed mother. The widow is automatically provided for under the terms of the Act and thus receives a pension. The mother may be or become without means of support. Had her son survived, it is reasonable to suppose that he would have provided for his indigent mother. That is the Canadian tradition. It is really disturbing to realize that whereas Section 33 (2) contemplates such mothers, there is no adequate provision in the Canadian Pension Act for them.

A high percentage of the fatal casualties in the two wars comprised young men who had just left school or were attending universities when they enlisted. Their parents had borne the cost of rearing and educating them right up to the date of enlistment. These parents who made considerable sacrifices to so bring up and educate their boys were entitled to believe, and did believe, that in the event that they—the parents—were ever in want, their boys would look after them, married as they might be or otherwise.

Many of these boys married while in the service and in some instances left widows and children. These dependents have been provided for in reasonable measure in the Pension Act and rightly so.

The Act, however, as already stated, has no adequate provisions regarding indigent parents of deceased soldiers.

In the presence of a widow, with or without children, it is difficult to obtain a pension for the parents, although an award may be made.

If there is no widow, after investigation of the circumstances of the parents, a very modest and inadequate award may be made, under Section 33 of the Act.

The Remembrance Association Chapters and membership pray that the Act be amended to provide for all needy parents of such deceased soldiers whether they left widows and children or otherwise.

Parents requiring financial assistance to maintain a respectable standard of living should, in our opinion, be granted a pension of \$75.00 per month in the case of a single parent and \$125.00 if both are alive and in needy circumstances, and it is felt that there should be no change in Subsection 7, Section 33, of the Pension Act, which says: "The pension to a widowed mother shall not be reduced on account of her earnings from personal employment or on account of her having free lodgings or so long as she resides in Canada, on account of her having an income from other sources which does not exceed two hundred and forty dollars per annum; such income being considered to include the contributions from children residing with or away from her, whether such contributions have actually been made or deemed by the Commissioners to have been made."

It is understood, of course, that many parents of deceased soldiers will neither need nor ask for such a pension.

It is our opinion, also that in awarding pensions to such parents and in continuing the awards when granted the present means test should be abolished and a system substituted therefor, whereby the parent or parents would file

a sworn statement of their financial condition, supported by the sworn declarations of two responsible parties who well know the parents and their circumstances.

It should be pointed out that the granting of such pensions would not constitute a great drain on the Treasury, that in the ordinary course of events the amount required will decrease from year to year and that it will become negligible within 25 years.

It is suggested, therefore, that the following Resolutions be adopted by all the Associations of Silver Cross Women across Canada:

Resolved that Section 33 of the Pension Act be amended in such manner as to provide for the payment of pensions of \$75.00 per month to all single parents and of \$125.00 per month to all married parents of deceased members of the forces provided always that such parents are in a dependent condition within the meaning of the Act, and further Resolved that the dependency of such parents shall be determined by the sworn declarations of the parents themselves and supported by sworn declarations of two reputable responsible parties having personal knowledge of the circumstances of such parents.

... Veterans Affairs, Special
Committee on, 1951
SESSION 1951

HOUSE OF COMMONS

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SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

CHAIRMAN—MR. L. A. MUTCH

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

THURSDAY, JUNE 14, 1951

WITNESSES:

- Mr. E. L. M. Burns, Deputy Minister; Mr. W. G. Gunn, K.C., Director, Legal Division, and Mr. C. F. Black, Superintendent of Veterans Insurance, Department of Veterans Affairs.
- Mr. J. L. Melville, Chairman, Canadian Pension Commission.
- Mr. D. M. McRae, Supervisor, The Veterans' Business and Professional Loans Act, Department of Finance.
- Mr. T. D. Anderson, General Secretary, Canadian Legion of the British Empire Service League.

REPORTS TO THE HOUSE

WEDNESDAY, June 6, 1951.

The Special Committee on Veterans Affairs begs leave to present the following as its

SECOND REPORT

Your Committee has considered and approves of the following estimate referred to it on May 1, 1951:

Vote 650: To provide financial assistance after the thirty-first of May, 1951, in accordance with regulations to be made by the Governor in Council, to unemployable veterans who are in receipt of pension under the Pension Act for a disability which is a major factor contributing to their unemployability. \$2,000,000.

Your Committee recommends that the Government consider the advisability of causing the said estimate to be amended by

- (a) the deletion of the word "major" in the sixth line thereof; and
- (b) the addition of the words: "such financial assistance to be exempt from income tax under the provisions of the Income Tax Act".

Your Committee also recommends that the Government give further consideration to the representations submitted to the Government and to the Committee, that the basic rate of pensions for all pensioners under the Pension Act should be increased.

All of which is respectfully submitted.

L. A. MUTCH,
Chairman.

WEDNESDAY, June 6, 1951.

The Special Committee on Veterans Affairs begs leave to present the following as its

THIRD REPORT

Your Committee has considered Bill No. 287, An Act respecting Benefits for Members of the Canadian Forces, and has agreed to report it with an amendment.

All of which is respectfully submitted.

L. A. MUTCH,
Chairman.

MONDAY, June 18, 1951.

The Special Committee on Veterans Affairs begs leave to present the following as its

FOURTH REPORT

Your Committee has considered Bill No. 288, An Act to amend the Pension Act and to change the Title thereof, and has agreed to report it with amendments.

Your Committee recommends that the Government consider the advisability of introducing amendments to clauses 7, 9, 11 and 18 of the said Bill No. 288 to advance the date line of May 1, 1950, wherever it appears in these clauses to May 1, 1951.

Your Committee also recommends that the Government give consideration to further amending the said Bill No. 288 by the addition of a clause amending subsection four of section twenty-nine of the Pension Act by the deletion of the words "or two" in the third line thereof.

All of which is respectfully submitted.

L. A. MUTCH,
Chairman.

MONDAY, June 18, 1951

The Special Committee on Veterans Affairs begs leave to present the following as its

FIFTH REPORT

Your Committee has considered Bill No. 286, An Act to amend The Veterans' Business and Professional Loans Act, and has agreed to report it with an amendment.

All of which is respectfully submitted.

L. A. MUTCH,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, June 14, 1951.

The Special Committee on Veterans Affairs met at 11 o'clock a.m., the Chairman, Mr. L. A. Mutch, presiding.

Members present: Messrs. Bennett, Blair, Brooks, Corry, Cruickshank, Dickey, George, Gillis, Goode, Harkness, Henderson, Herridge, Hosking, Jutras, Lennard, McWilliam, Mutch, Pearkes, Quelch, Roberge, Thomas, Weaver, White (*Hastings-Peterborough*).

In attendance: Mr. E. L. M. Burns, Deputy Minister, Mr. W. G. Gunn, K.C., Director, Legal Division, Mr. C. F. Black, Superintendent of Veterans Insurance, Department of Veterans Affairs; Mr. J. L. Melville, Chairman, Canadian Pension Commission; Mr. D. M. McRae, Supervisor, The Veterans' Business and Professional Loans Act, Department of Finance; Mr. T. D. Anderson, General Secretary, Canadian Legion of the British Empire Service League.

The Committee resumed consideration of Bill No. 288, An Act to amend the Pension Act and change the Title thereof.

Examination of Messrs. Burns, Melville and Gunn was continued.

On motion of Mr. Goode, it was agreed that Clause 10 be amended by the deletion of all the words after the word therefor in the fourth line thereof and the substitution therefor of the following:

- (b) Notwithstanding anything contained in paragraph (a) of this subsection, when a woman has been divorced, legally separated or separated by agreement from a member of the forces who has died, and such woman is in a dependent condition, the Commission may, in its discretion, award such pension not exceeding the rates set out in Schedule B to this Act, as it seems fit in the circumstances, although such woman has not been awarded alimony or an alimentary allowance or is not entitled to an allowance under the terms of the separation agreement, if in the opinion of the Commission, she would have been entitled to an award of alimony or an alimentary allowance or an allowance had she made application therefor under due process of law.

Clause 10, as amended, was adopted.

On motion of Mr. Goode, it was agreed that Clause 17 be amended by the insertion of the following words between the words *The Companies Act, 1934*, and as in the seventh line thereof:

or by the authority of any other
Act of the Parliament of Canada.

Clause 17, as amended, and the title were adopted.

The Bill, as amended, was adopted and the Chairman ordered to report it to the House.

The Committee proceeded to consideration of Bill No. 286, An Act to amend The Veterans' Business and Professional Loans Act.

Mr. McRae was called, heard, questioned and retired.

On motion of Mr. Weaver, it was agreed that Clause 1 be amended by the deletion of subparagraph (ii) and the substitution therefor of the following:

having so elected, has either received no such benefit or has repaid to The Director, The Veterans' Land Act, the amount of any benefit he has received under that Act, as determined under section ten of The War Service Grants Act, 1944, in excess of his re-establishment credit.

Clauses 1, as amended, 2 and 3, and the title, were adopted.

The Bill as amended was adopted, and the Chairman ordered to report it to the House.

The Committee proceeded to consideration of Bill No. 352, An Act to amend The Veterans Insurance Act.

Mr. Anderson was called, heard, questioned and retired.

Mr. Black was called, questioned and retired.

Clauses 1, 2 and 3 were adopted.

On motion of Mr. Dickey, it was agreed that Clause 4 be amended by the deletion in lines 16 and 17 thereof of the words fall into and become part of the estate of the insured and the substitution therefor of the words: be paid, as it falls due or otherwise as the Minister may determine, to the estate of the insured.

Clause 4, as amended, was adopted.

On motion of Mr. Dickey, it was agreed that Clause 5 be amended by the deletion in line 9 thereof, of the words fall into and become part of the state of the insured and the substitution therefor of the words: be paid, as it falls due or otherwise as the Minister may determine, to the estate of the insured.

Clauses 5, as amended, and 7 were adopted.

At 6 o'clock p.m., the Committee adjourned to the call of the Chair.

A. L. BURGESS,
Clerk of the Committee.

EVIDENCE

JUNE 14, 1951.

4:00 p.m.

The CHAIRMAN: Gentlemen, we have a quorum. I should apologize to the committee that you did not have longer notice cancelling our meeting of yesterday morning, but as you know I have been absent, and in the interval the House decided to work mornings, and I found everybody was tied up with committees, and consequently I took the liberty of delaying our meeting until this afternoon at 4 o'clock.

At our last meeting we were discussing bill 288, a bill to amend the Pension Act, and we carried the bill with the exception of two clauses which were stood over. Clause 10, page 5, was stood over at the request of the Commission in order to clarify the wording. Now, we have copies here of the proposed changes. I think the quickest way to do it would be to pass those around.

You will notice, gentlemen, that this paragraph 10 is dealt with at the bottom of the page which has just been handed to you. The amendment was designed, you will remember, to make sure that the provisions for those who were separated by agreement were extended to widows of veterans in all provinces. It now reads:

- (b) Notwithstanding anything contained in paragraph (a) of this subsection, when a woman has been divorced, legally separated or separated by agreement from a member of the forces who has died, and such woman is in a dependent condition, the Commission may, in its discretion, award such pension not exceeding the rates set out in Schedule B to this Act, as it deems fit in the circumstances, although such woman has not been awarded alimony or an alimentary allowance or is not entitled to allowance under the terms of the separation agreement, if in the opinion of the Commission, she would have been entitled to an award of alimony or an alimentary allowance or an allowance had she made application therefor under the process of law.

The change is to add the words: "or separated by agreement" to make it conform to the language in paragraph (a) of the same section.

Mr. LENNARD: Mr. Chairman, is "desertion" covered?

The CHAIRMAN: This deals only with wives of veterans who have died.

Mr. LENNARD: I may not be quite in order.

Mr. MELVILLE: I may not quite understand your point, Mr. Lennard, but I take it your question relates to a disability pensioner who has deserted his wife. The commission's action in that regard is governed by the Act, which says: "who is maintained or entitled to be maintained by the pensioner." If we are satisfied that she has not lost her entitlement to be maintained by him, then we would award additional pension on her behalf.

Mr. HERRIDGE: Mr. Chairman, I was not present at the last meeting, but I would like Mr. Melville to explain just how this would work in the various provinces.

Mr. MELVILLE: May I assure Mr. Herridge it would make no difference in any province: it has universal application.

Mr. QUELCH: Mr. Chairman, last time it was not the language, but the interpretation that caused a good deal of the discussion. It was stated in two provinces there was no divorce, and the question was raised whether or not it should be applicable to all the provinces. I take it from Brigadier Melville's statement that it will be applicable to people in all provinces, and people of all religions? It will not be a question of whether or not a person's religion debars him from getting a divorce? A person's religion may debar him from getting a divorce, but his own principles may prevent him from getting a divorce, and he may prefer to get a separation, and this will apply to him just the same?

Mr. MELVILLE: Yes.

Mr. BENNETT: This means written agreement?

Mr. MELVILLE: Yes.

Mr. JONES: Mr. Chairman, would you tell us where we are reading.

The CHAIRMAN: Clause 10 on page 5.

Mr. JONES: What is section 4 of 32?

The CHAIRMAN: That applies to the section of the Act which we are dealing with.

Mr. MELVILLE: Your question, Mr. Bennett, was on separation by agreement?

Mr. BENNETT: Yes.

Mr. MELVILLE: The commission would require a properly executed separation by agreement.

Mr. BENNETT: It does not say so, though, does it?

Mr. MELVILLE: That is implied.

Mr. HENDERSON: The whole intention of this section is different from the section we had the other day. I notice now the words, "who has died": that was not in the other day. I assumed by the section the other day that it covered those people who deserted wives and left children uncared for. Under this section here, the only way they would receive any benefit would be if the father, or husband, had died. I think this is an entirely different section.

Mr. MELVILLE: No, it is not. This section comes under the heading in the Act: "pension for deaths", and in order to remove any doubt, when going over this amendment with my colleagues, we decided to add those three words to make it perfectly clear.

Mr. HERRIDGE: Mr. Chairman, would Mr. Melville explain to my lay mind the distinction between "alimony" and "alimentary allowance"? It reads somewhat peculiar on first thoughts.

Mr. MELVILLE: I wish a lawyer would undertake the responsibility, but I think alimony is an award which is made resulting from divorce action. "Alimentary allowance" is an allowance awarded by a judgment of the court. An alimentary allowance is comparable to the other.

The CHAIRMAN: We have Mr. Gunn here, and perhaps he would give it to us.

Mr. GUNN: I do not think there is any great distinction. I think most of the lawyers here who are familiar with the practice in Quebec realize that "alimentary provision", "alimentary maintenance", "alimentary allowance", are expressions used in that particular jurisdiction, which is the equivalent to the use of the word "alimony" in other jurisdictions. The two things mean the same, but in two different jurisdictions of law. As we all know, in Quebec they have the old civil law expression, which is "alimentary provision".

Mr. HERRIDGE: That means that in Quebec they would get an alimentary allowance, and in another province they would get alimony.

Mr. GUNN: That is it exactly.

The CHAIRMAN: Shall the clause as amended carry?

Carried.

The CHAIRMAN: Clause 17: when we were discussing section 17, the point was raised that in the wording of (b) of 17, the definition of "organizations incorporated under the Companies Act 1934" was restrictive, and that it did, in fact, exclude those organizations it was intended to authorize the commission to give information to, and required amendment. I am now to say that my advice is that if, after "the Companies Act 1934" in line 7 on page 8, the words "or by the authority of any other Act of the parliament of Canada" are added, that that will provide for the authority to those whom it is desired may be eligible. Will someone move that now?

Mr. GOODE: I will move that.

The CHAIRMAN: It is moved by Mr. Goode, and seconded by Mr. Dickey.

Mr. GOODE: Speaking to that motion, Mr. Chairman, would a law adviser here tell us whether this will cover other known veterans associations? There was some concern in the committee the other day that there were some of the big associations that will be left out. Are you convinced in your mind it will cover everything?

Mr. GUNN: It will cover all the organizations that have been incorporated by special statutes of the parliament of Canada, and as we know, there are some corporations that are incorporated under the Companies Act, and others get incorporated by special act. Before, we had to go on with the one clause, and now we have the other.

Mr. GOODE: You are convinced this new condition to this Act will completely cover things?

Mr. GUNN: It will cover all companies incorporated under the federal jurisdiction.

Mr. QUELCH: Does that cover all those that are members of the National Veterans Council?

The CHAIRMAN: It covers the National Council itself. What about the blind?

Mr. BURNS: The blind do not do this kind of work. It covers the Amps, and all major organizations.

Mr. QUELCH: Army and Navy Veterans association?

The CHAIRMAN: Yes, the Amps and Army and Navy.

Mr. QUELCH: It will not cover the Armed Combat Veterans Association of British Columbia?

The CHAIRMAN: It will not.

Mr. QUELCH: Well, Mr. Chairman, sometimes things are done at the time without realizing, and then members say afterwards, "We did not know". Now, there will be very bitter criticism from that organization when it is found that by amendment we had cut that organization out of it.

The CHAIRMAN: I want to correct that impression right away. They are not cut out of anything they had before. The Department of Veterans Affairs has the power to authorize and to restrict authorization and even when this carries it will be possible for the Department of Veterans Affairs to rule in the interests of the veteran himself that any one of these agencies should be debarred.

Mr. QUELCH: In the past it has been the custom for the Pensions Commission to allow, apparently, a member of that organization to appear on behalf of a veteran and see the files: you have had certain occasions, and no doubt on certain occasions you have regretted you have done it. I am not

criticising one way or the other on that point, but I think it is important we do realize what we are doing, because, as the chairman knows very well, there will be very bitter criticism from a certain source when it is found we are debarring a certain organization.

The CHAIRMAN: I think I am right in saying that the position of the individual to whom you refer is no different under this than it was before; and the fact is that under this, organizations herein mentioned have a statutory approach, whereas before, it was by grace of the department.

Mr. BURNS: I think this amendment that you have before you does not really change the condition of affairs as regards who shall have access to the files, because you will see that it says "such medical advisers and other organizations", and then it expands on that, "including so and so". There is no real change. We are just writing out those that have, as you might say, special recognition, and this expanding or explanatory clause was inserted sometime ago, I think, at the request of the Canadian Legion, to spell out in full their special interest in the matter.

Mr. QUELCH: I am not objecting, but, as you point out, it does give you the discretion to include others.

The CHAIRMAN: Shall the clause as amended carry?

Carried.

The CHAIRMAN: Shall the title carry?

Carried.

The CHAIRMAN: Shall the bill carry?

Carried.

The CHAIRMAN: Shall I report the bill?

Agreed.

The CHAIRMAN: Now, we agreed that the next matter to be considered would be bill 286, a bill to amend the Veterans Business and Professional Loans Act. As you know, this Act is administered by the Department of Finance, and we have here with us one of the gentlemen who has been charged with the responsibility with respect to it, and if questions arise, I will, with your permission, ask Mr. McRae to answer them.

Mr. GOODE: Could we have a general statement? Perhaps it would not take five minutes, and it may save a lot of questions.

The CHAIRMAN: That would be a very proper procedure. The bill is very short, and there are three explanatory notes concerned with it. Will you say a word of explanation, General Burns?

Mr. BURNS: Mr. Chairman, the essential purpose of amending this Act was to extend it to bring it in line with other Acts of the Veterans Charter, particularly the War Service Grants Act in paragraph 2. If it were not for the extension proposed, the power to make loans would expire next January. When the bill was being considered it was found that there was a certain ambiguity as to what was required before a veteran who had had some benefits under the Veterans Land Act, would be eligible for this loan, and in order to make the principle clear, and to facilitate establishing a quite small number of veterans—

Mr. CRUICKSHANK: Mr. Chairman, in order to save time, I move the adoption of the bill.

Mr. HERRIDGE: Mr. Chairman, I think Mr. Cruickshank is being premature.

The CHAIRMAN: Mr. Cruickshank has moved—we agreed to go through the bill clause by clause, and we are on clause 1. I think, Mr. Cruickshank,

all you can do at the moment is move that clause 1 carry, and then the committee having asked for an explanation on clause 1, I would have to permit General Burns to give it.

Mr. BURNS: If they are satisfied, Mr. Chairman, I am satisfied.

Mr. GOODE: I do not want to drop a bombshell into this, but I did ask for an explanation of it. Perhaps some of the senior members know far more than we do, but we new members are trying to learn. I wish we could have this explanation.

Mr. HERRIDGE: I support Mr. Goode.

The CHAIRMAN: All right, we will hear the deputy.

Mr. BURNS: In general, the veteran had to repay the benefits he had received under the Veterans Land Act. Now, there is also proposed an additional amendment to what is here in the Bill, as printed, to simplify administration in one detail I would, if I may sir, suggest a further amendment as follows: that 1 (k) (ii) should read as follows: "having so elected, has either received no such benefits or has repaid to the director of the Veterans Land Act the amount of any benefits he has received under that Act as determined under section 10 of the War Service Grants Act 1944 in excess of his re-establishment credit". The purpose of that is that he does not have to pay all this money in cash, but that his re-establishment credit can be taken to pay off this amount, which is advantageous to the veteran in the few cases that have come up.

The CHAIRMAN: What are the additional words?

Mr. BURNS: I will hand them to you, Mr. Chairman.

The CHAIRMAN: Mr. Weaver moves in substitution of 1 (k) (ii) as follows: "having so elected has either received no such benefits or has repaid to The Director, The Veterans Land Act, the amount of any benefit he has received under that Act, as determined under section ten of The War Service Grants Act, 1944, in excess of his re-establishment credit". That is the only change, is it not?

Mr. BURNS: Yes.

The CHAIRMAN: Shall the clause as amended carry?

Carried.

Mr. GOODE: Before that carries, Mr. Chairman, Mr. Sinclair, the parliamentary assistant to the Minister of Finance, has forwarded a letter to me—I know we are not supposed to bring up individual cases, but I thought perhaps I could get some advice: Evidently a Mrs. Dorothy L. Harrison has brought up that question regarding re-establishment credits to the parents of chaps who died. I think that has been considered by this committee before. Could anyone tell me the final decision?

Mr. BURNS: It was not agreed to grant them.

The CHAIRMAN: It has no bearing on this particular bill.

Mr. GOODE: I hoped you would allow me to bring it up under the re-establishment credit. It has been considered and turned down?

Mr. BURNS: I do not know whether it was considered by the government.

Mr. GOODE: Well, Mr. Sinclair has turned this over to me.

The CHAIRMAN: Clause 2.

Mr. HERRIDGE: Before the clause carries, Mr. Chairman, could the witness give us some information? What I am interested in is what number or percentage of men borrow money for, say, lumbering, or farming, or small businesses? Is there any information along those lines, as to what businesses men borrow the money for?

The CHAIRMAN: Have you any break-down Mr. McRae? I think in our first meeting that was tabled, was it not?

Mr. D. M. McRAE (Supervisor of the Veterans Business and Professional Loans Act): I believe Mr. Sinclair put it on the record in the House.

Mr. BURNS: I can give some information from the break-down we have here: for the purchase of businesses there have been approved altogether 1,501 loans in the amount of \$3,392,590; for the purchase of an interest of a partnership, there have been 1,638, to the amount of \$3,426,595; for the purchase of tools and equipment, 1,134, to the amount of \$1,641,797; for repairs of tools and equipment, just 35 loans, to the amount of \$47,061; the construction and repair of buildings, 651 loans, to the amount of \$2,171,461; and for the purchase of motorized units, usually trucks, 1,133 loans, \$1,451,228. They are not broken down into different kinds of businesses.

Mr. HERRIDGE: That is the sort of information I want, thank you. It shows the Act is being used in quite a diversified manner.

The CHAIRMAN: There has been a large request for extension of benefits.

Mr. QUELCH: What is the record to date as far as losses are concerned? Have the government had to make good any losses yet?

The CHAIRMAN: That is what Mr. Sinclair put on the record.

Mr. McRAE: There have been 110 claims totalling \$116,947.14 paid to the banks.

The CHAIRMAN: It works out at about \$20 per loan, roughly?

Mr. McRAE: That is right.

The CHAIRMAN: Shall clause 2 carry?

Mr. CRUICKSHANK: Would it be possible to have Mr. Sinclair brought here?

The CHAIRMAN: It would probably be possible, but I do not think it would be necessary.

Mr. HERRIDGE: Is it possible to have Mr. Cruickshank taken away?

The CHAIRMAN: Shall clause 2 carry?

Carried.

The CHAIRMAN: Shall clause 3 carry?

Carried.

Mr. BROOKS: How many convictions were there under this section, or were there any at all?

Mr. McRAE: No, there have been no convictions so far.

Mr. GOODE: Are you contemplating taking action in any case?

Mr. McRAE: We attempted to take action in one case under summary conviction proceedings, and we found we were beyond the six months limit.

The CHAIRMAN: Shall clause 3 carry?

Carried.

The CHAIRMAN: Shall the title carry?

Carried.

The CHAIRMAN: Shall the bill carry?

Carried.

The CHAIRMAN: Shall I report the bill?

Agreed.

The CHAIRMAN: The next and last item which is presently before us is bill 352, a bill to amend the Veterans Insurance Act.

Before we proceed to that, there are two things which I should like to draw to your attention: one is that there is another bill proposing amendments to the original Insurance Act—the Returned Soldiers Insurance Act—which has not yet been referred to this committee by the House, so that we will have certain questions coming up, I am quite sure, which will relate to the Returned Soldiers Insurance Bill, and I will not hear them today but we will have an opportunity on the bill itself when it comes to us.

In connection with this bill before us, just as I came into the room, I was handed a letter from the Dominion Command of the Canadian Legion in which they state they desire to make two brief recommendations with respect to the bill which is before us. Ordinarily I would have consulted with the steering committee with respect to further hearings, but I did not have time to do that, and we have never denied any of the national organizations an opportunity to say a word or two with respect to a particular bill. I think, before we begin a general discussion, if it is agreed by the committee, I will ask the General Secretary, Mr. Anderson, to read his letter to me into the record. Is that agreed?

Agreed.

Mr. T. D. ANDERSON (General Secretary of the Canadian Legion of the B.E.S.L., Dominion Command): (Reads):

There are two Sections of the Veterans' Insurance Act which the Canadian Legion would request the Committee to consider at this time.

The first is Section 10 of the Act as it now stands, which provides that—where on the death of the insured a pension becomes payable under the Pension Act or any pension law of the United Kingdom or of any of His Majesty's Dominions, to any person mentioned in subsections one or two of Section 6 or in subsection 7 of this Act there shall be deducted from the amount of the insurance the aggregate present value of the pension or pensions so payable computed on such basis as the Governor in Council may prescribe—"

We suggest that the cost to the insured of insurance under the Veterans' Insurance Act is comparable to that of similar insurance obtained through the regular companies and that rates were established so as to provide a fund sufficient to meet all legitimate claims and operating expenses.

We submit, in view of the main purpose of the Veterans' Insurance Act, namely, to provide protection for the disabled veteran, that Section 10 is unfair. In the first instance, under Schedule "B" of the Act certain high risk classes, such as applicants with dependents, seriously ill with disabilities that are not pensionable, are definitely excluded. On the other hand, applicants with dependents, seriously ill with pensionable disabilities, while they can be accepted, are barred by this Section from receiving full benefits of the insurance.

Recommendation

The Legion would accordingly recommend that Section 10 either be deleted or so amended as to provide that no reduction in the amount of insurance payable under the Act be made because of any pension paid under the Pension Act or other legislation referred to in Section 10.

That is the recommendation with respect to section 10.

This is our second recommendation:

The second Section which we would at this time bring to your attention is the proposed amendment to Section 11, as it appears in

Bill 352 now before you. The effect of this proposed amendment is to write into the Act a "war clause" comparable to such clauses which appear in insurance contracts with regular insurance companies. The amendment would penalize an ex-service man who, having entered into contract for insurance under the Act, subsequently decides to further serve his country through enlistment in the Armed Forces. It is possible that if this amendment is adopted a veteran by again offering to serve his country will be depriving his family in the event of his death during service of the added protection which he sought to obtain for them. We suggest that this is unfair both to the veteran and to his dependents, and will undoubtedly have an adverse effect upon the Government's efforts to recruit World War II veterans for the Armed Forces. We feel that the saving effected by this move to bring the Veterans' Insurance Act into line with the policy of commercial companies will be inconsequential in comparison with the injustice and hardship which may result.

Recommendation—

The Legion therefore recommends that Section 11 be not amended as proposed in Bill 352.

The CHAIRMAN: Thank you, Mr. Anderson. Section 10 is not covered by the amending bill, but when we come to section 11 I will ask Mr. Black, who is here, to deal with the criticism with respect to that.

I think we need not attempt, unless the committee wishes, a general description of what is proposed here. I think the explanatory notes are rather full, and perhaps we will get at it better if we proceed on a clause by clause examination of it, as we have the officials here to make the necessary explanations.

Clause 1:

(1) Subparagraphs (i) and (ii) of paragraph (c) of section two of *The Veterans Insurance Act*, chapter forty-nine of the statutes of 1944-45, are repealed and the following substituted therefor:

"(i) a legally adopted child;

(ii) a stepchild who is designated by the insured as a beneficiary and in such designation is described either by name or as a stepchild; and"

(2) Paragraphs (g) and (h) of section two of the said Act are repealed and the following substituted therefor:

"(g) 'Minister' means the Minister of Veterans Affairs or such other Minister as the Governor in Council may from time to time determine;

(h) 'parent' includes a father, mother, grandfather, grandmother, stepfather, stepmother, foster-father, foster-mother, or either the insured or the spouse of the insured;"

(3) This is the usual change "army" and "military".

(4) Paragraph (l) of section two of the said Act is repealed and the following substituted therefor:

"(l) 'war' means the war that commenced in September, one thousand nine hundred and thirty-nine, and which, for the purposes of this Act, shall be deemed to have terminated on the thirtieth day of September, one thousand nine hundred and forty-seven."

Is there any discussion on clause 1?

Mr. GILLIS: Mr. Chairman, I just wanted to say this on clause 1: the phrase "legally adopted child" is something which I think all members have been bothered with over the years. There are many children in this country

being maintained by services personnel or their widows who were not legally adopted, although they have been maintained for years. In many cases the reason they were not legally adopted is that the people who were maintaining the children could not afford to go through the necessary court procedure in order to have them adopted. It is not a simple matter at all. You have to hire a lawyer, and your case has to be prepared, and it will cost anywhere from \$50 to \$100 to do that. There are many children being deprived of the benefits of all these Acts, pensions and so forth, because the interpretation of "legally adopted" and what it entails deprives them of receiving consideration. I know it has been brought to their attention a good many times, but I wonder if the commission have given any consideration to the broadening of the latitude where financial circumstances have prevented the adoption of children who certainly would have been adopted had it not been for the necessity of going through all the legal machinery. I wonder if any consideration has ever been given to changing that, or broadening it, or giving administrative latitude to the commission?

Mr. BURNS: Mr. Chairman, I have just been informed that we have not had any cases come up where this has occasioned any difficulty during the recent past. Perhaps Mr. Black could expand on that.

Mr. BLACK (Superintendent of Veterans Insurance): Mr. Chairman, we have certain cases in which children are described as "adopted", and we have attempted to find out whether they are legally adopted, and quite often we are not able to gain that assurance. It would be rather difficult administratively to settle claims if a child were described on our beneficiary form as an adopted child, where the degree of adoption would be very indefinite. It may be difficult to decide whether a child who may not have been legally adopted should have preference over the natural children of the insured. It may create an embarrassing circumstance unless we had some documentary evidence.

Mr. GILLIS: The trouble now is that the documentary evidence necessary means going through the legal procedure. There are many who have not been able to afford that, and have been maintaining the children for years. You have got a large investigating staff, and I think that if an investigator went in and made an examination of the home, and the length of time the child has been maintained, and so forth, that some consideration should be given, on the basis of his recommendation, for the purpose of these Acts. That would be simple enough, but it is, of course, our legislation provincially, because they also take this attitude. I think the time has come when someone should look into the matter and see whether or not some of the legal business could be removed.

Mr. BROOKS: Mr. Chairman, in the past there has been considerable difficulty and expense in connection with the legal side, but I know in my own province, and I think it is general in all provinces in Canada, that the adoption of children has been, if I may use the term more or less streamlined, and under the Children's Aid Society in most provinces there is a fixed rate now for the adoption of children, and the lawyers have agreed to do the legal work for \$25. That is about the cost in most of the provinces today.

Mr. GILLIS: Is it in Nova Scotia?

Mr. BROOKS: It used to be some \$50 to \$100, but I think you will find under the Children's Aid Society it has been greatly reduced. It has been reduced in my province, and I think the societies across Canada have more or less adopted it.

The CHAIRMAN: Perhaps Mr. Gunn could give us some information?

Mr. GUNN: I think Mr. Brooks has described the situation properly. It is undoubtedly true that through all Canada an effort has been made by the provincial authorities to make it possible for legal adoption to take place with the

least possible expense and inconvenience to the parties concerned. I think that the estimate of \$100 is a little high. I think Mr. Brooks is more correct in stating the cost at about \$25. It must be remembered, Mr. Chairman, that this question of whether or not there has been an adoption is only important after the death of a veteran, and there must be some reasonable evidence available, and it would be extremely difficult perhaps after the death of the veteran to obtain anything that could be considered reasonable. Therefore, I think it is very important to have it definitely stated that there must be legal adoption: Something considered by a court of law to be legal: Legal by statute or legal by the custom of the province.

Mr. GILLIS: Mr. Chairman, I do not know what the circumstances are in New Brunswick, but for years I have had the privilege of helping people under those circumstances to get legal adoption papers for children, in the case of the last couple that I worked for the fee was \$50.

Mr. BROOKS: When was that?

Mr. GILLIS: Within the last couple of years.

Mr. BROOKS: It has been changed very recently.

Mr. GILLIS: I do not think that is an exorbitant change: There is a lot of work to be done. In this case the lawyer had it on his hands for about a year. An application is made and there is a probation period, and there is considerable work, and I consider the \$50 charge a pretty reasonable charge for the work involved; but the people I am thinking about could not afford that \$50, or they would have adopted these children years ago, and there are a lot of people in this country under those circumstances. The question really is more provincial than it is federal, but I am only raising it now so that the commission might think about it, because there are children being deprived of the rights of these Acts under these circumstances. \$50 may not sound like a lot of money to us, but it is a lot of money to someone eking out a living on a small pension.

Mr. GOODE: I think, Mr. Chairman, the point has been made before Mr. Gillis spoke on this matter. This is not important until after the veteran dies, and that supports Mr. Gillis argument, because where are you then? The veteran dies and this child has not been legally adopted: What is the mother going to do? I am not a lawyer, but I can say that in our province it would be most difficult for a lady to legally adopt that child unless she went through a year, perhaps, of investigation. What is the position of the department in this case? These parents have had this child for five years, and it has been understood in the neighbourhood they are its legal parents, and right after the veteran dies it is found the child was never adopted?

Mr. BURNS: You mean in regard to insurance?

Mr. GOODE: Yes.

Mr. BURNS: The wife would be the beneficiary.

Mr. GOODE: But what about the children? We will say both parents die.

The CHAIRMAN: Well, naturally the children would inherit.

Mr. BURNS: Any modification or relaxation of the rule that legal adoption is required affects other legislation—the Pension Act to mention only one—and perhaps it would be sufficient for the point raised by Mr. Gillis if the department should give the assurance that the Social Service division and the Veterans Welfare branch will look into this with a view to finding some way whereby adoptions can be facilitated.

The CHAIRMAN: Shall the clause carry?

Carried.

The CHAIRMAN: Clause 2:

2. Subsection one of section three of the said Act, as amended by section one of chapter seventy-two of the statutes of 1947-48, and subsection two of section three of the said Act are repealed and the following substituted therefor:

3. (1) The Minister may, without requiring medical examination or other evidence of insurability, enter into a contract of insurance that provides for the payment in the event of the death of the insured of five hundred dollars or any multiple thereof not exceeding ten thousand dollars,

- (a) with a veteran, at any time on or before the thirty-first day of December, one thousand nine hundred and fifty-four or within ten years after the date of his discharge from service, whichever is the later; or
- (b) with any of the following persons, at any time on or before the thirty-first day of December, one thousand nine hundred and fifty-four,
 - (i) the widow or widowers of a veteran, if the Minister has not entered into a contract of insurance with the veteran,
 - (ii) The widow or widower of a person who died on service during the war,
 - (iii) a person who is an officer or man in any of the components of the Canadian Forces that are referred to in *The National Defence Act* as the regular forces, who has not been released from such forces and who was engaged in service during the war,
 - (iv) a merchant seaman who received or was eligible to receive a bonus pursuant to The Merchant Seamen Special Bonus Order, or a seaman who received or was eligible to receive a War Service Bonus pursuant to The Merchant Seamen War Service Bonus Order, 1944, and
 - (v) any other person who is, under the Pension Act, in receipt of a disability pension relating to the war.

(1a) Where a contract of insurance is entered into under this Act with a person whose life is insured under *The Returned Soldiers' Insurance Act*, the amount of insurance under such contract shall be limited so that the aggregate amount of insurance in force on his life under *The Returned Soldiers' Insurance Act* and this Act does not exceed ten thousand dollars.

(2) Payment under a contract of insurance shall be made on the death of the insured in an amount not exceeding two thousand dollars and the remainder, if any, or the portion thereof to which any beneficiary is entitled, shall, at the option of the insured, be payable as

- (a) an annuity certain for five, ten, fifteen or twenty years;
- (b) a life annuity; or
- (c) an annuity guaranteed for five, ten, fifteen or twenty years and payable thereafter as long as the beneficiary may live.

Shall clause 2 carry?

Mr. PEARKES: Mr. Chairman, I wanted to ask one question as to the reason why one cuts off certain people, particularly an officer in any of the general forces, after December, 1954, rather than letting them have the advantage of 10 years after their retirement?

Mr. BLACK: Sir, the persons on the permanent forces have never been discharged. There is an arbitrary date established on which we would deem them to be discharged. They have never been out of the forces, whereas the veterans have, and are being given 10 years after their discharge, if it were later than December 31, 1954, whereas we deem for this purpose, in a sense, that the

members of the permanent force who served during the war were, in effect, discharged on December 31, 1944, that is, to give them 10 years after their date of discharge.

The CHAIRMAN: They were excluded before, this is a provision to let them in.

Mr. BURNS: They have the same period in which to take out insurance as any other veteran.

Mr. PEARKES: They have always been able to get insurance. I think the regular forces have always been able to take out this insurance.

Mr. BURNS: I think at the last amendment of this Act it was provided that they could take it, and this now extends for them and other people, by approximately three years, the time in which they can take out insurance.

Mr. PEARKES: How will it affect men coming back into the active forces now? Let us say veterans who have decided they are coming back on these short term commissions?

Mr. BLACK: It will not limit them, because, once having been discharged, they become veterans and are all right for 10 years after discharge.

Mr. PEARKES: That will be after discharge from the second world war, or now?

Mr. BLACK: After the second world war.

Mr. PEARKES: It does not apply to the special force, or anything, in any way?

Mr. BURNS: It is intended to extend it to the veterans who have served in Korea in due course.

Mr. HARKNESS: This means it will be extended in the case of a considerable number of people into 1956?

Mr. BURNS: Yes, those who were not discharged until 1946.

Mr. HARKNESS: Yes, they will be good up to 1956.

The CHAIRMAN: Shall clause 2 carry?

Carried.

The CHAIRMAN: Clause 3:

3. Section five of the said Act is amended by adding thereto the following subsection:

- (2) The insured shall, for the purposes of this section, be deemed to be totally and permanently disabled where his total disability has existed continuously for a period of at least one year.

This is a simplification of an administrative problem. Shall clause 3 carry?

Carried.

The CHAIRMAN: Clause 4:

4. (1) Subsection two of section six of the said Act is repealed and the following substituted therefor:

(2) Where the insured is unmarried, or is a widow or a widower or divorced, and without children, the beneficiary shall be the future spouse or future children of the insured, or some one or more of such persons.

(2) Subsection five of section six of the said Act is repealed and the following substituted therefor:

(5) Where the insured does not designate a beneficiary, or where all of the beneficiaries designated by him die within his lifetime, the insurance money shall be paid to the spouse and the children of the insured in equal shares, and if the insured survives the spouse and all the children

of the insured and there is no contingent beneficiary within the meaning of section seven surviving the insured, the insurance money shall fall into and become part of the estate of the insured.

Mr. BURNS: Mr. Chairman, the department suggests a further amendment to subsection (5) to read: "as it falls due or otherwise as the minister may determine to the estate of the insured".

The CHAIRMAN: Where is that?

Mr. BURNS: In the last line: "shall be paid as it falls due or otherwise as the minister may determine to the estate of the insured".

The CHAIRMAN: There is a proposed amendment to (5) of 4: do you move the amendment, Mr. Dickey?

Mr. DICKEY: The proposal is that all the words after: "shall" in line 40 be struck out, and that there be substituted therefor: "be paid as it falls due or otherwise as the minister may determine to the estate of the insured"?

The CHAIRMAN: That is the proposed amendment.

Mr. DICKEY: I move that.

Mr. PEARKES: Would you read that again?

The CHAIRMAN: That all the words after the word "shall" in line 40 shall be struck out, and it will then read: "shall be paid as it falls due or otherwise as the minister may determine to the estate of the insured"; all the beneficiaries having predeceased the veteran.

Mr. HERRIDGE: That is more exact reading than the present reading.

The CHAIRMAN: Shall the amendment carry?

Carried.

The CHAIRMAN: Shall clause 4 as amended carry?

Mr. HERRIDGE: Mr. Chairman, what is the meaning in (2) of 4, of the words: "the beneficiary shall be the future spouse"? How do you determine who is a future spouse?

Mr. BLACK: In the Act there is a preferred class of beneficiary consisting of spouse, children, and if a man is unmarried when he takes out the policy, and later marries, his wife automatically becomes the beneficiary.

The CHAIRMAN: Shall clause 4 as amended carry?

Carried.

The CHAIRMAN: Clause 5:

5. Subsection two of section seven of the said Act is repealed and the following substituted therefor:

(2) Where the insured survives the spouse and all the children of the insured, the insurance money shall be paid to the contingent beneficiary or beneficiaries, if any, but in default of the designation of a contingent beneficiary, or in the event of the death of all the contingent beneficiaries within the lifetime of the insured, the insurance money shall fall into and become part of the estate of the insured.

The deputy says there is a similar amendment proposed there, that after the word "shall" in line 3, all the words in line 4 be struck out and the following substituted, "be paid as it falls due or otherwise as the minister may determine to the estate of the insured".

Mr. QUELCH: Would that be paid in the form of a cash surrender?

Mr. BLACK: No, that would be the face amount. It is a matter of a death claim arising where we do pay to the estate the face amount if no beneficiary survives to receive.

The CHAIRMAN: Shall the amendment carry?

Carried.

The CHAIRMAN: Shall clause 5 as amended carry?

Carried.

The CHAIRMAN: Clause 6, the war clause, deals with section 11 with respect to which we permitted, at the beginning, a representative of the National Command of the Canadian Legion to make a recommendation. I think, perhaps, a good way to begin discussion of this would be for the officials of the department to outline the effect of this. I gather they are not of the opinion that the Act as amended does indeed do that which the Legion seems to anticipate.

Mr. BURNS: Mr. Chairman, the effect of this amendment will be to permit of the insertion of a war clause in any contracts of insurance that may be taken out hereafter. It will not affect any of the insurance which veterans of World War II may now have. The particular purpose of this Veterans Insurance Act was, of course, to protect veterans who after they came back from the war might have some disability that would render them, perhaps not uninsurable, but because they were risks which would not commonly be accepted by the commercial companies, unable easily to obtain insurance, and the view was taken when this matter was discussed that by giving this extension of 3 years the fund might be compromised, if a considerable number of veterans who may be enlisting to go out to Korea, or some other conflict, were able to take out an insurance prior to going out. As the ordinary insurance companies are all at this time including war risk clauses, it was felt that such clauses should be put into any contracts which were entered into by veterans of World War II subsequent to the amendment of the Act. Therefore, I think there is some misapprehension in the brief of the Legion, where they say it would penalize an ex-service man who, having entered into a contract for insurance under the Act, subsequently decides to serve his country by enlisting into the armed forces, whereas, as I have explained, those who have contracts at the present time would not be affected.

Mr. BROOKS: Could not a man, before he enlists, still take out this insurance? I would have thought a great many would do it, and still be eligible for the insurance if it was taken out immediately before going overseas.

The CHAIRMAN: All of those who at the present time have a contract, have a good contract. But after the coming into force of this proposed amendment, contracts would have a war clause in them.

Mr. BROOKS: Yes, but we have already said a veteran has three years more in order to take out insurance. He takes out his insurance; nobody knows whether he is going to enlist or not but himself, and he decides to take out this insurance before he goes overseas, and there is no reason why hundreds of thousands of them should not do it and come under this section.

The CHAIRMAN: At the present time they would, but a man having no intention of re-enlisting, but having entitlement, after this clause becomes effective, if he enters into a contract without any intention of going overseas, but subsequently is re-called or re-enlists, then, of course, in his case, the contract having been entered into after this amendment to the Act itself, will have a war clause in it. There will be no more contracts without war clauses.

Mr. BROOKS: But that would hinder enlistments.

Mr. GEORGE: Does Mr. Burns know that companies have included war clauses in their policies?

Mr. BURNS: Yes, that is the case, and it may clarify the issue if the superintendent of insurance would give what the general provisions are in such war clauses.

Mr. BLACK: Two or three days ago I enquired of ten of the leading Canadian companies, and I found nine of them do include a war clause, one in all policies issued from ages 16 to 35, and eight of them include war clauses on policies issued to members of the forces, and in most cases to those who intend to enlist. In one case there is not a war clause included in any policy, but the policies are limited to an amount which normally would be applicable to a man's financial circumstances. The provisions of the war clauses generally limit the benefits returnable to the premiums with interest at 3 per cent, if death occurs as a result of war or service outside the home areas, which normally are defined as North America, including the adjacent islands, and within six months after returning from outside areas.

Mr. HARKNESS: Is there any time limit which the war clause covers? In some insurance policies there is a three year period but a man may enlist and serve for more than three years?

Mr. BLACK: Normally, the war clause covers the period of the war and several months afterwards. After the war terminates the company automatically releases the policy from the war clause.

Mr. QUELCH: Would it not be possible to make a soldier eligible for full payment if he paid increased payments?

Mr. BLACK: That apparently is not done by the companies. The rate was exorbitant and they sold very few policies with extra premiums.

Mr. BURNS: To answer Mr. Brooks. The point that was emphasized when this matter was being discussed, was that it was not the original intention of this insurance to provide protection for a man who was going off to war; it was for the veteran who came back.

Mr. QUELCH: This covers all other forms of risk?

Mr. BURNS: Yes, sir.

Mr. QUELCH: And actually more people die in road accidents than in wars.

The CHAIRMAN: More than in the last two wars.

Mr. GEORGE: If it is in order could we have Mr. Anderson's comments as to what has taken place?

The CHAIRMAN: It would be quite in order, but Mr. Anderson has put on the record a copy of their views on it.

Mr. PEARKES: May I ask one question? Surely this is much wider than the war clause—because this deals with death from anything which “arose out of or was directly connected with his service as a member of such forces.” I take it that might be a man who was in the reserve force and who was on annual training when he met his death. Would that not be the case?

Mr. BURNS: It is certainly not the intention to cover that.

Mr. PEARKES: I do not know about the intention but there is nothing limiting this to forces which are at war. As far as I can see it does not even limit it to the regular forces, and I think it would not be very difficult to substantiate a case in the actual wording of this, for a man who was on annual training with the reserve and met his death on the rifle range—for instance, as the result of the explosion of a mortar bomb?

Mr. BURNS: Of course, the section gives the Governor in Council power to determine the terms of the war clause in the policy, and what would be put up would be in line with the type of restriction which was explained by the superintendent of insurance—the normal war clause in commercial use.

Mr. LENNARD: Does a normal war clause cover police action?

Mr. BURNS: Companies are apparently putting them in effect at the present time.

The CHAIRMAN: Ten companies say "yes".

Mr. JUTRAS: I would like to ask just exactly what is meant by "restrict the benefits"? What do you actually propose to do under the war clause?

Mr. BURNS: That has not been precisely determined, Mr. Chairman. You have just heard Mr. Black explain the general restriction and benefits which are proposed by the war clauses which the commercial companies are putting into effect and I presume it would be something similar. Would you wish that point to be gone over again by Mr. Black?

Mr. JUTRAS: No, I just wonder what the department intends to do knowing what the commercial companies are going to do? Is it the intention of the department to follow more or less the same line as far as war clauses are concerned?

The CHAIRMAN: It is left to the discretion of the Governor in Council in this amendment.

Mr. PEARKES: I would point out that subsection 2 is very clear on that point I was discussing. "For the purposes of subsection one, 'service' means any service . . . as a member of any naval, army, or air forces . . ." and I do not think with that wording you can possibly say this would not apply to the members of the reserve force; and members of the reserve force might very easily and they do, periodically, meet their death through service with those forces. I suppose that hardly a year goes by but what some members of the reserve force get killed on training.

Mr. BURNS: I would say that it is permissive—"a contract of insurance may, in such manner and terms to such extent as the Governor in Council may prescribe . . ."

Mr. HERRIDGE: I think Mr. Pearkes' point is well taken. The regulations are governed by the Act. "For the purpose of subsection one, 'service' means any service of the insured, after entering into the contract of insurance, as a member of any naval, army or air forces." I think Mr. Pearkes is absolutely correct.

Mr. BURNS: It is pointed out in the general definitions of the Act that service in the reserve force is excluded.

The CHAIRMAN: In the Act itself, service means:

"(i) service in the naval, military or air forces of Canada by any person while in receipt of either active service rates of pay or of Permanent Force rates of pay;"

(ii) —active service in the naval, military, or air forces of His Majesty by any person domiciled in Canada at the commencement thereof.

Mr. BURNS: There was another point, Mr. Chairman, in which there is an additional safeguard on this question. There would be a reference in any war clause to home service being an exception.

Mr. BLACK: The companies, as I explained, have a restrictive limitation. This policy is paid in full normally only if death occurs outside home areas which would exempt any policies issued to persons training in Canada.

Mr. BROOKS: I do not see why we should follow the companies, particularly. The reason why we have veterans insurance is that we wanted to get away from the companies and to make it easier for the veteran to get insurance. Also I do not think you can take the interpretation of 'service' there in this section and say it means the interpretation of service in the Act—because one states one thing and one another. You have got to say that under subsection (1) 'service' means or may be interpreted the same as 'service' in the Act.

Mr. BLACK: You have got to make it appear here as it is set out in the other Act.

Mr. QUELCH: Is not clause (2) the definition of service in so far as this Act is concerned?

The CHAIRMAN: "For the purposes of subsection one, 'service' means any service of the insured, after entering into the contract of insurance, as a member of any naval, army or air forces."

Mr. QUELCH: If a soldier was run over by a car he would lose the full benefit of insurance?

The CHAIRMAN: With lawyers present I do not like to answer legal questions. Would you answer, Mr. Gunn.

Mr. GUNN: I will try. It seems to me that "service" defined in subsection (2) of the Act, is the type of service which qualifies a veteran originally to get insurance under this Act. Now he has got that; it is something that is vested in him today. Then, it is proposed if he wants to take out insurance and engage in further service, then that service is of the type described here—and it is more general than that which appears in section (2); and it does in fact include the reserve forces.

Mr. GEORGE: Just on that point, I wonder if we could clarify the position of reserve force personnel called out for temporary service?

Mr. GUNN: They are regarded as regular forces if they are called up.

Mr. GEORGE: Are they? They are not active force personnel and neither are they taken on strength of the regular forces. They are called out for very short periods of time as a rule, but it can be extended, of course. We know of personnel who have been called out for a year. They are still reserve personnel although they are drawing pay and allowances of the regular forces.

Mr. GUNN: They are, under the National Defence Act, regarded as part of the regular forces after they have been called out and start to receive pay.

Mr. GEORGE: I agree there, but how do they stand under this Act?

Mr. GUNN: Well this language in subsection (2) is sufficiently broad to take them in. They are members of the forces of Canada.

Mr. BENNETT: What is the object of this subsection (2) if Mr. Pearkes' point is not well taken?

Mr. BLACK: I think Mr. Pearkes' point is correct and it does give the Governor in Council the right to prescribe whatever the Governor in Council thinks are the appropriate conditions restricting the policy.

Mr. GEORGE: Can we hear Mr. Anderson, Mr. Chairman?

The CHAIRMAN: Do you want to add anything to that, Mr. Andrews?

Mr. ANDERSON: I would like to make clear just what our objections to this section are. In the first place, we do of course understand that any veterans of World War II who have taken out insurance previous to the coming into effect of this section would be protected. However, the point is that this Act can be assumed to provide a benefit to World War II veterans, but if this amendment is adopted it will in effect make the benefit largely ineffectual for certain World War II veterans simply because they re-enlist.

The CHAIRMAN: If the veteran dies as a result of war?

Mr. ANDERSON: Yes.

Mr. GUNN: If he has not yet taken out insurance?

Mr. ANDERSON: Prior to the coming into effect of the amendment.

Mr. PEARKES: I think there is a great deal to be said for the Legion's position. We want to encourage veterans of World War II to rejoin the armed forces. Their numbers will get smaller and smaller as the years go on by reason of advancing age, but if they have looked ahead in order to provide for their own security by taking out insurance, is there any reason why we should discourage them?

Could we have any idea as to what this might cost? I feel that if the veteran of World War II thought it worth his while now to take out insurance—and he has only got another three years to do it—I do not see why we should take any benefit away from him if he re-enlists to go to Europe, to train here in Canada, or to go as a reinforcement to Korea. I think he should be encouraged to do so.

Personally, my thinking at the moment is that this whole section 6 should be dropped.

Mr. GEORGE: Could Mr. Black tell us how many there are, or if we are still getting applicants for this insurance?

Mr. BLACK: At the present time, Mr. George, we get about 150 to 200 a month. We have had very few whom we have been able to identify as people who are joining the forces. We have had only one or two who are members of the special or Korean force.

The CHAIRMAN: The catch in this thing, in my view, is that these two wars come too close together. The situation has not arisen before. We have not adopted the practice in this country of insuring in any government scheme those who enlist in the forces of the country. That has not been done in either of the two previous wars we are familiar with. However, it has been done in other places. Now, it has occurred to somebody, and I think to everybody in this committee, that this is an extension of the benefits of this insurance Act. There is nothing to prevent, or practically nothing to prevent, anyone who is a veteran of World War II and otherwise entitled to this insurance and who desires to enlist again, from taking out, in multiples of \$500, insurance up to \$10,000. He can then enlist and thereby get a benefit through this government insurance which is not available to him in any insurance company.

In other words, the government, if it does not make some restrictions with respect to this, leaves the taxpayers of this country—and all of the other insurance companies are taxpayers—open to a drain which could be as large as the number of veterans who re-enlist. With respect to that, I might point out that some 42 per cent of the special force were veterans of World War II. Unintentionally this rehabilitation benefit has been created—if you do not do something about it. For that reason, I assume, an attempt has been made to see that this insurance shall do the thing which it was intended to do, and not guarantee the future of somebody who is going off to war. Its purpose was to assist the man who has been to war and to ensure security for his old age and his dependents.

The question we have got to ask ourselves is: are we at the moment sold on the idea of using something which was not intended to create a new service benefit for that purpose. It is, I think, as simple as that.

Mr. HERRIDGE: I would like to ask one or two questions. Has the superintendent of insurance had this matter brought to his attention by the insurance companies?

Mr. BLACK: No, sir, not from the insurance companies.

Mr. HERRIDGE: But with the large numbers who enlist and serve in Canada and with the normal percentage of casualties under conditions which we can reasonably assume, does covering these veterans in this way place an extremely heavy load on the fund which could not be covered by a slight increase in premium?

Mr. BLACK: When you take in the cost to the fund all these casualties during the war, you probably get the result somewhat as if payments were made under section 10 in the Act in very nearly all cases, which would restrict the benefits to some extent in any event.

Mr. BROOKS: What is the condition of the fund at the present time?

Mr. BLACK: I cannot tell you exactly. I can tell you the amount in the fund, but the actuarial reserve required is information which is calculated and retained by the Department of Insurance.

Mr. BROOKS: But the fund is sound?

Mr. BLACK: The fund is sound, as far as I know, yes.

Mr. HERRIDGE: You mention restrictions under section 10. What are they?

Mr. BLACK: With respect to the restrictions under section 10, if a pension, under the Pension Act becomes payable on the death of the insured, we do not pay the policy in full if death occurred during the premium term; for example, if it was a 20 payment life policy, and the death occurred during the 20 years.

Mr. HERRIDGE: That would be certain protection.

Mr. BLACK: Yes. Protection is created there, and would apply in nearly every case, because many policies are taken out for the benefit of those who would be getting pensions.

Mr. QUELCH: This section does not affect any insurance taken out prior to the passage of this section.

The CHAIRMAN: That is correct.

Mr. QUELCH: There is a lot to be said about that.

The CHAIRMAN: I do not like pioneering the idea that through a government agency a man can take advantage of an Act which is intended for something else, and secure up to \$10,000 of insurance without any war clause. You can see what it would do to rehabilitation benefits. Some one will say: "Here is a family which can get \$10,000."

Mr. QUELCH: Would it not be possible to make those who take out insurance from now on pay an extra premium for war risk?

The CHAIRMAN: The other companies have found it to be administratively impractical. They did it in World War I, but most of them—almost every company—has abandoned it.

Mr. QUELCH: In the first war when we were enlisting, a large group of insurance company representatives came around to us and insured the soldiers in the barracks at what I considered to be at the time a very low rate.

Mr. HERRIDGE: Mr. Chairman, I move that section 6 of the bill stand and that the officials make a report as to what insurance could be given by virtue of an extra premium.

The CHAIRMAN: Well!

Mr. BURNS: That would require another amendment to the Act.

Mr. DICKEY: That would involve new policy.

Mr. QUELCH: Yes, that would involve a new policy, but as the chairman has said, we have not had two wars coming so close together before. We have a new situation and we should meet that situation.

Mr. JUTRAS: Mr. Chairman, has the department considered putting on a ceiling, such as the commercial companies do?

Mr. QUELCH: Mr. Chairman, I second Mr. Herridge's motion.

The CHAIRMAN: The motion as moved and seconded is not acceptable. It would mean another amendment. There is no objection to the clause standing, and then the department might make some study of the matter and indicate to us the information desired.

Mr. GOODE: It is quite clear, Mr. Chairman, that the committee is not satisfied at the moment. So I suggest that we let the motion stand.

The CHAIRMAN: Shall this section stand until the officers of the department have studied the question and are able to clarify it for us when we meet again?

Section 7 of the bill reads as follows:

7. Section fifteen of the said Act is repealed and the following substituted therefor:

"15. Where an application for insurance is made and the applicant dies before the contract of insurance is entered into, the contract shall be deemed to have been entered into if the initial premium is paid and the application is *one that would have been approved if the applicant had not died*.

There have been at least two cases that I know of where a man made his application in good faith but died before the department accepted it. This would make it possible to pay such a claim.

Shall the clause carry?

Carried.

Section 15A reads as follows:

15A. Where a beneficiary or contingent beneficiary survives the insured but dies before receiving all of the insurance money to which under the contract of insurance such beneficiary or contingent beneficiary is entitled, the remaining unpaid money shall be paid, as it falls due or otherwise as the Minister may determine, to the estate of the deceased beneficiary or deceased contingent beneficiary.

Shall the clause carry?

Carried.

Section 15B reads as follows:

15B. Notwithstanding the *Senate and House of Commons Act*, or any other law, no person, by reason only of his entering into a contract of insurance or receiving a benefit under this Act, is liable to any forfeiture or penalty imposed by the *Senate and House of Commons Act* or disqualified as a member of the House of Commons or incapable of being elected to, or of sitting or voting in the House of Commons."

Shall the section carry?

Carried.

That concludes our deliberations for today. But, I think the memorandum which we heard from the Legion raises another question which is germane to the Act itself but which is not covered by the amending Bill. I think it is one of those things which will have to be considered and which will be given further consideration. So I sought the indulgence of the committee in entering it in our records where I am sure the department will consider it. You have "hooked" one of two prizes and the other we shall consider further.

Gentlemen, will you move the adjournment of the committee to the call of the chair, because we have nothing before us until we get the next bill back from the House.

—The committee adjourned to the call of the chair.

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SESSION 1951
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

CHAIRMAN—MR. L. A. MUTCH

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12

THURSDAY, JUNE 21, 1951

WITNESSES:

Mr. E. L. M. Burns, Deputy Minister; Mr. W. G. Gunn, K.C., Director, Legal Division, and Mr. C. F. Black, Superintendent of Veterans Insurance, Department of Veterans Affairs.

Mr. T. D. Anderson, General Secretary, Canadian Legion of the British Empire Service League.

OTTAWA
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1951

REPORT TO THE HOUSE

THURSDAY, June 21, 1951.

The Special Committee on Veterans Affairs begs leave to present the following as its

SIXTH REPORT

Your Committee has considered the following bills and has agreed to report them with amendments:

Bill No. 352, An Act to amend The Veterans Insurance Act.

Bill No. 389, An Act to amend The Returned Soldiers' Insurance Act.

A copy of the evidence taken in relation to these bills, as well as to the bills previously reported by your Committee, is appended hereto.

All of which is respectfully submitted.

Chairman.

CORRIGENDA

Minutes of Proceedings and Evidence,

Thursday, June 7, 1951:

Page 305, line 40:

you can get a judicial separation by proving *adultery*

should read:

you by proving *cruelty*

Page 312, lines 13 and 14:

Mr. Chairman, we had evidence to the effect that either one or both of these organizations are now incorporated under the *Companies Act, 1934*.

should read:

We had evidence organizations are *not* now incorporated under the *Companies Act, 1934*, and that the *Legion is not incorporated under any companies act*.

MINUTES OF PROCEEDINGS

THURSDAY, June 21, 1951.

The Special Committee on Veterans Affairs met at 4 o'clock p.m., the Chairman, Mr. L. A. Mutch, presiding.

Members present: Messrs. Brooks, Carter, Corry, Croll, Dickey, George, Goode, Green, Harkness, Henderson, Herridge, Larson, Lennard, McWilliam, Mutch, Pearkes, Quelch, Richard (*Gloucester*), Roberge, Stewart (*Yorkton*), Thomas, Weaver.

In attendance: Mr. E. L. M. Burns, Deputy Minister, Mr. W. G. Gunn, K.C., Director, Legal Division, and Mr. C. F. Black, Superintendent of Veterans Insurance, Department of Veterans Affairs; Mr. T. D. Anderson, General Secretary, Canadian Legion of the British Empire Service League.

Consideration of Bill No. 352, An Act to amend The Veterans Insurance Act, was resumed.

On motion of Mr. Stewart, it was agreed that Clause 6 be deleted.

The title was adopted.

The Bill, as amended, was adopted and the Chairman ordered to report it to the House.

The Committee proceeded to consideration of Bill No. 389, An Act to amend The Returned Soldiers' Insurance Act.

Mr. Black was called and questioned.

Clauses 1 and 2 were adopted.

On motion of Mr. Croll, it was agreed that Clause 3 be amended by the deletion of the words *fall into and become part of the estate of the insured* where they appear in the proposed amendment to subsection five of section four and to subsection two of section five of the Act, and the substitution therefor of the words *be paid, as it falls due or otherwise as the Minister may determine, to the estate of the insured*.

On motion of Mr. Green, it was agreed that Clause 3 be further amended by deleting the proposed subsection four of section nine of the Act and substituting therefor the following:

(4) Where his total disability has existed continuously for a period of at least one year, the insured shall, for the purposes of this section, be deemed to be totally and permanently disabled.

Clause 3, as amended, clauses 4 to 15, inclusive, and the title were adopted.

The Bill, as amended, was adopted, and the Chairman ordered to report it to the House.

The witnesses retired.

At 4.55 o'clock p.m., the Committee adjourned to the call of the Chair.

A. L. BURGESS,
Clerk of the Committee.

EVIDENCE

JUNE 21, 1951,

4.00 p.m.

The CHAIRMAN: Order, please, gentlemen. At our last meeting we were dealing with Bill 352 "An Act to amend The Veterans Insurance Act." We have dealt with all the sections except section 6, which introduces a "war clause."

We allowed section 6 to stand in order to allow the department to examine into the matter. I have now to report that Mr. Stewart moves that section 6 of the bill as it is before you be deleted. Is there any discussion on the matter?
Carried.

Shall the preamble carry?
Carried.

Shall the title carry?
Carried.

Shall the bill as amended carry?
Carried.

Shall I report the bill?
Carried.

The next bill is 389 "An Act to amend The Returned Soldiers' Insurance Act."

These bills came to us in reverse order. This is the bill which deals with the policies which were issued following World War I. Section 1 subsection 1 deals with definitions; definition of child, amended; definition of minister; and definition of parent. Do these correspond exactly with the terminology now used in the bill which we just carried, Mr. Black?

Mr. C. F. Black, Superintendent of Veterans' Insurance, called:

The WITNESS: Yes.

The CHAIRMAN:

Clause 1. (1) Subparagraphs (i) and (ii) of paragraph (b) of section two of *The Returned Soldiers' Insurance Act*, chapter fifty-four of the statutes of 1920, are repealed and the following substituted therefor:

(i) a legally adopted child;

(ii) a stepchild who is designated by the insured as a beneficiary and in such designation is described either by name or as a stepchild; and

(2) Paragraphs (d) and (e) of section two of the said Act are repealed and the following substituted therefor:

(d) "Minister" means the Minister of Veterans Affairs or such other Minister as the Governor in Council may from time to time determine;

(e) "parent" includes a father, mother, grandfather, grandmother, step-father, stepmother, foster-father, foster-mother, of either the insured or the spouse of the insured;

Shall clause 1 carry?

Carried.

Clause 2 reads as follows:

2. Subsection two of section three of the said Act, as enacted by section two of chapter fifty-two of the statutes of 1921, subsections three and four of section three of the said Act and subsection five of section three of the said Act, as amended by section one of chapter forty-five of the statutes of 1928, are repealed and the following substituted therefor:

Subsection 2 deals with "How payable" and it reads as follows:

(2) Subject to subsection three, payment under an insurance contract shall be made on the death of the insured in an amount not exceeding two thousand dollars and the remainder, if any, or the portion thereof to which any beneficiary is entitled, shall, at the option of the insured, be payable as

(a) an annuity certain for five, ten, fifteen or twenty years;

(b) a life annuity; or

(c) an annuity guaranteed for five, ten, fifteen or twenty years and payable thereafter as long as the beneficiary may live.

And subsection 3 deals with "Where remainder of an annuity is less than five hundred dollars."

Subsection 3 reads as follows:

(3) Where, at the death of the insured, the insurance money remaining to be paid as an annuity to a beneficiary is less than five hundred dollars, the Minister may, upon the request of the said beneficiary and if satisfied that it is in the best interests of the beneficiary to do so, direct that such money be paid in such manner and in such amounts, including payment in a lump sum, as the Minister may consider appropriate.

Shall the clause carry?

Mr. PEARKES: The only change is raising it from \$1,000 to \$2,000.

The CHAIRMAN: Yes, from \$1,000 to \$2,000.

Mr. BROOKS: If it is over \$2,000 and less than \$2,500, is there not a provision whereby you can pay the difference between \$2,000 and \$2,500?

The CHAIRMAN: That has to do with subsection 3.

Mr. BROOKS: The understanding is that if it is up to \$2,500, then \$2,500 could be paid. But if it were over \$2,500, then it would be provided for in subsection 2. Is that the understanding?

The WITNESS: Yes.

The CHAIRMAN: Does the clause carry?

Carried.

Clause 3 of the bill reads as follows:

3. Sections four and five of the said Act, section six of the said Act, as enacted by section three of chapter fifty-two of the statutes of 1921, sections seven and eight of the said Act and section nine of the said Act, as amended by section four of chapter fifty-two of the statutes of 1921, are repealed and the following substituted therefor.

Mr. CROLL: What is this intended to do?

The WITNESS: In the Act as it was originally there have been some administrative difficulties in settling to certain beneficiaries, especially as many of the policy holders are now becoming old and their family affairs have changed a good deal. We have attempted to bring this Act in line with the Veterans' Insurance Act, preserving the preferred clause of spouse and children,

and the alternative class as contained in the previous Act and regulations, and arranging that payments may be paid as on the original application or, as later amended on forms supplied by the department or by some other document which is acceptable to the minister, such as the insured's will. In the previous Act that was not clearly set forth and there was some difficulty. So it is just a matter of bringing it into parallel with the Veterans' Insurance Act.

Mr. CROLL: Is there anything new in it?

The WITNESS: No.

Mr. GOODE: Is there any difference between this and the Veterans' Insurance Act?

The WITNESS: There is no material difference, except that certain persons who were eligible to be alternative beneficiaries under the Returned Soldiers Insurance Act have had their rights preserved.

The CHAIRMAN: It makes it broader?

The WITNESS: It is broader than the second bill, and it is not depriving anyone under this Act.

Section 4, reads as follows:

4. (1) Where the insured is married, or is a widow or a widower or divorced or unmarried, and with children, the beneficiary shall be the spouse or children of the insured, or some one or more of such persons.

(2) Where the insured is unmarried, or is a widow or a widower or divorced, and without children, the beneficiary shall be the future spouse or future children of the insured, or some one or more of such persons.

(3) Where the insured designates more than one beneficiary, the insured may apportion, and may at any time reapportion, the insurance money between or among them as he sees fit, and, in default of any such apportionment, the insurance money shall be paid in equal shares to the designated beneficiaries surviving the insured.

(4) Where a designated beneficiary dies in the lifetime of the insured, the insured may, subject to subsections one and two, designate a beneficiary or beneficiaries to whom the share formerly apportioned to the deceased beneficiary shall be paid, and, in default of any such designation, the said share shall be divided equally among the surviving designated beneficiaries, if any.

(5) Where the insured does not designate a beneficiary, or where all of the beneficiaries designated by him die within his lifetime, the insurance money shall be paid to the spouse and the children of the insured in equal shares, and if the insured survives the spouse and all the children of the insured and there is no alternative beneficiary within the meaning of section five surviving the insured, the insurance money shall fall into and become part of the estate of the insured.

Mr. BURNS: I have here an amendment such as we had to make to the Veterans' Insurance Act.

The CHAIRMAN: Is this on section 4?

Mr. BURNS: It is on section 4, subsection 5 and on section 5, subsection 2.

Shall section 4 carry?

Carried.

Section 5.

5. (1) The insured may designate as an alternative beneficiary a grandchild, parent, brother, sister, uncle, aunt, nephew, niece or first cousin of the insured or such other person as may by regulation be prescribed for the purposes of this section, or some one or more of such

persons, to whom the insurance money or any portion thereof shall be paid in the event that the insured at the time of his death is unmarried or is a widow or a widower or divorced, and without children.

(2) Where the insured survives the spouse and all the children of the insured, the insurance money shall be paid to the alternative beneficiary or beneficiaries, if any, but in default of the designation of an alternative beneficiary, or in the event of the death of all the alternative beneficiaries within the lifetime of the insured, the insurance money shall fall into and become part of the estate of the insured.

(3) Where the insured designates more than one alternative beneficiary, the insured may apportion, and may at any time reapportion, the insurance money between or among them as he sees fit, and, in default of any such apportionment, the insurance money shall be paid in equal shares to the alternative beneficiaries surviving the insured.

(4) Where an alternative beneficiary dies in the lifetime of the insured, the insured may, subject to subsection one, designate an alternative beneficiary or beneficiaries to whom the share formerly apportioned to the deceased alternative beneficiary shall be paid, and, in default of any such designation, the said share shall be divided equally among the alternative beneficiaries, if any, surviving the insured.

The CHAIRMAN: Section 5 deals with designation of alternative beneficiaries; payment to alternative beneficiaries or to estate; apportionment among alternative beneficiaries; and death of alternative beneficiaries. Are both of these amendments to be made?

Mr. BURNS: Yes.

The CHAIRMAN: It is desired that clause 3 of the bill be changed so that subsection 5 of section 4 of the Act will read as follows:

4. (5) Where the insured designates more than one alternative beneficiary, the insured may apportion and may at any time reapportion, the insurance money between or among them as he sees fit, and, in default of any such apportionment, the insurance money shall be paid in equal shares to the alternative beneficiaries surviving the insured.

The new words are:

... shall be paid in equal shares to the designated beneficiaries ...

Mr. HERRIDGE: What do these words cover? "As the minister may determine"?

The CHAIRMAN: That is the legal way of saying that the minister has the power to decide the manner of payment.

Mr. HERRIDGE: On what grounds does he decide it?

The WITNESS: The purpose of it is that estates can be settled more quickly than if payment had to be made as an annuity over a period of years.

The CHAIRMAN: You will understand that preferred beneficiaries are all gone and there is a second amendment that clause 3 be further amended by having subsection 2 of section 5 of the Act read as follows, and it is exactly the same with the addition of the words "be paid as it falls due or otherwise...into the estate of the insured." These are the same amendments as were made in the other bill. Do you move that these amendments carry, Mr. Croll?

Mr. CROLL: I so move.

The CHAIRMAN: Mr. Croll moves that the amendment to section 5 which I just read be carried. Shall the section as amended, carry?
Carried.

Section 6.

Mr. GREEN: Does the original section 4 apply to this bill?

The CHAIRMAN: These are all on clause 3; they are sections of the Act, Mr. Green. And if you will look at page 2, sections 4 and 5 of the said Act and section 6 of the said Act—

6. Subject to the provisions of this Act, the insured may at any time change the beneficiary or beneficiaries, or the alternative beneficiary or beneficiaries, or vary the option as to the mode of payment or the apportionment of the insurance money—that is new—by so stating in a document that is satisfactory to the minister.

Mr. GREEN: Does that enable the insured to deprive his wife of protection?

The WITNESS: No—except in favour of his children. The wife and children remain the preferred class.

Mr. GOODE: What would be the reason for that?

The CHAIRMAN: The wife might desert him.

Mr. GOODE: That could be, but what is your reason, Mr. Black?

The WITNESS: The assured has always had the right to change within the preferred class. This is a better wording than was in the original Act. This enlarges the means by which he can change—"by so stating in a document that is satisfactory to the minister."

By Mr. Croll:

Q. What would you have in mind?—A. That he may be able to change the beneficiary in his will. We have numbers of people who do in their wills attempt to make beneficiary changes but, under the Act as it is, we are not able to accept them unless the will is attached to the policy.

Q. But "by so stating in a document that is satisfactory to the minister"—would the will be satisfactory to the minister? Is that what you say?—A. Generally speaking, yes.

Q. Or could he in advance, by writing to the minister, say: I want to make that change; and would he receive a letter saying: yes, all right?—A. Generally we will accept one of the forms supplied by the department, or under some circumstances, a holograph letter received from the insured.

By Mr. Goode:

Q. What would not be satisfactory to the minister?—A. A typed document with no signature or with no evidence that it was properly completed.

Q. A letter not properly witnessed?—A. Yes.

The CHAIRMAN: Shall section 6 carry?

Carried.

7. Any option, chosen by the insured, as to the mode of payment of the insurance money to a beneficiary or alternative beneficiary, may, after the death of the insured, be varied by such beneficiary or alternative beneficiary, with the consent of the minister.

I think perhaps Mr. Black might say a word on that?

The WITNESS: This is contained in the existing legislation but it is not as clearly worded. It is a matter of clarification.

By Mr. Goode:

Q. Are you not changing the intention of the insured in regard to this? I might have insurance under this, and have definite ideas as to how the money should be paid, but according to this as I read it the beneficiary has the right to change it—always taking into account the consent of the Minister. It seems to me that is not the way things are usually done?—A. We find under the

returned soldiers' insurance that many policies are twenty or twenty-five years old. Circumstances have changed and, if it can be satisfactorily explained that it would be definitely to the advantage of the beneficiary, a change is permitted. For instance, an assured might have provided for \$100 to the beneficiary as a lump sum and the remainder over five years—the remaining \$900. The value of money has changed but he has not made any change in his beneficiary apportionment. If it can be shown that there is hardship by sticking to the initial plan we normally might feel it could be changed to the beneficiary's advantage.

Q. But then again you might say that the man has had his will made out for twenty-five years. Surely that would show intent by that time. I am not going to argue about it but I like to get information by asking questions.

Mr. CROLL: The courts do that too, Mr. Goode, under similar circumstances.

Mr. GOODE: Then I think a lawyer should have asked the question.

The CHAIRMAN: Shall section 7 carry?

Carried.

Section 8.

8. Where a beneficiary or alternative beneficiary survives the insured but dies before receiving all of the insurance money to which under the contract of insurance such beneficiary or alternative beneficiary is entitled, the remaining unpaid money shall be paid, as it falls due or otherwise as the Minister may determine, to the estate of the deceased beneficiary or deceased alternative beneficiary.

Carried.

Section 9.

9. (1) Where an insured becomes totally and permanently disabled and is thereby rendered incapable of pursuing any substantially gainful occupation, the premiums thereafter falling due under the contract shall be waived during the continuance of such disability and the insured shall be entitled to receive as a disability benefit the payment of the sum insured in instalments not exceeding one-twentieth of the sum insured for each year of total and permanent disability, the said benefit to continue during the continuance of such disability but not to exceed payment for twenty years in all.

(2) Where the insured dies before the total payment of disability benefits under subsection one equals the sum insured, the balance of the sum insured shall be payable as a death benefit.

(3) Subsection one does not apply where the total and permanent disability of an insured is due to a disability of the insured in respect of which he receives or is entitled to receive.

(a) a pension under the *Pension Act* or under the corresponding pension laws of the United Kingdom or of any of His Majesty's Dominions or of His Majesty's Government or of any of His Majesty's Allies or Associated Powers in the Great War; or

(b) allowances while receiving treatment by the Department of Veterans Affairs on account of war disability.

(4) The insured shall, for the purposes of this section, be deemed to be totally and permanently disabled where his total disability has existed continuously for a period of at least one year.

(5) Where, otherwise than by reason of the death of the insured, the insured ceases to be entitled to waiver of premiums under subsection one, the premiums payable thereafter shall be based upon the reduced amount of insurance under the contract of insurance, namely, the sum insured less the aggregate of the disability benefits paid to the insured under subsection one.

Mr. GREEN: There is one question I should like to ask about subsection 4. It defines when an insured is to be deemed totally and permanently disabled. I am not clear whether that means that he cannot get payment until he has been disabled for a year, or whether that is an additional definition to the words up in subsection 1—which say when he has become totally and permanently disabled and thereby rendered incapable of pursuing his occupation and so on. It looks to me as though he cannot draw these benefits unless he has been disabled for a full year—and that seems to be going too far.

The CHAIRMAN: It also involves a waiver of premium.

The WITNESS: The intent, sir, is that if a man is obviously totally and permanently disabled he will commence receiving benefits right away. But, if it is not certain, as is the case with many people—for instance those with tuberculosis whom we know are totally disabled but we are not sure they are permanently disabled—they will be deemed to be permanently disabled after one year, and benefits will then commence.

Mr. GREEN: Then should you not have some words inserted in this subsection 4 which would set out that they are over and above the provisions in subsection 1?

Mr. BURNS: That was the understanding when the amendment was brought in.

Mr. GREEN: I think that it would be interpreted the other way.

Mr. BURNS: I am informed, sir, that this was drawn to the attention of the Department of Justice and they were of the opinion that the wording as it now stands would have that effect—that is to say that this is a provision which operates in cases other than those where it could clearly be established by medical opinion that the disability was permanent.

Mr. GREEN: Why does it not say: “in addition to the provisions of subsection 1 the insured shall be deemed”?

Mr. BURNS: We were advised that it was not necessary.

Mr. GUNN: It is merely a declaration there to remove any possible doubt. Doctors might be in doubt about the condition of the insured at a certain time yet this gives certain leeway.

Mr. BROOKS: There are two classes. There are those whom the doctors would know are permanently disabled, and then there are those whom they do not know about, and they say those should stand for a year and after that they are permanently disabled—after that year's time. They will then be considered as permanently disabled. It does not keep the first class from obtaining their rights immediately.

Mr. GREEN: For example, if you had the word “also” it would read: “the insured shall also for the purposes of this section, be deemed to be totally and permanently disabled where his total disability has existed continuously for a period of at least one year.” That would make it absolutely clear that subsection 4 does not restrict subsection 1.

Mr. CROLL: Mr. Green, in reading the section I came to the same view you did and I was going to raise the question too, but now that they have had it before the Department of Justice and Justice has given it consideration, I am a little hesitant about interfering, because Justice had read in the light of all the circumstances. I think we are better off to leave it alone, now that the question has been raised and it has been brought before Justice. I interpreted it the same way you did.

The CHAIRMAN: As a non-lawyer, is it not true there are two groups being dealt with here? There is one group who are determined to be totally disabled immediately the situation arises, and then another group about which the medical people are not prepared to give a decision that the disability is permanent and

we say, in effect, if you cannot determine it within a year we will assume it after that. That is what we are setting out to do, is it not?

Mr. BROOKS: That is the way I would interpret it.

Mr. GREEN: The statute should be so worded that the ordinary layman would understand it.

The CHAIRMAN: If that were so the lawyers would all starve.

Mr. GREEN: That may be, but I do think that difficulties may arise some years from now if the case is ruled out because the man has not been disabled for the year.

Mr. BURNS: Mr. Chairman, that clause was put in at the instance of the Superintendent of Insurance who, I believe, pointed out that similar clauses were usual, or at least that similar policies were in effect in commercial insurance companies; that is, they concede that disablement which had persisted over a certain period is considered to be permanent, and that is the purpose of this clause. We are in no doubt it is additional to the rule regarding any disablement that can be ruled permanent as a result of medical opinion, obvious disablement.

Mr. GOODE: Could someone tell me what would be the status of a man under war veterans allowance who has been paying into insurance for some time if he became totally disabled?

The WITNESS: In accordance with the wording of the section if he is rendered incapable of pursuing any substantially gainful occupation we will offer him the disability benefit.

The CHAIRMAN: Mr. Goode's question is supposing you pay him the benefits under this clause do those benefits constitute income to the recipient of war veterans allowance? Is that your question, Mr. Goode?

Mr. GOODE: That would have been the second part if I accepted your explanation of the first.

The WITNESS: We have consulted with the War Veterans Allowance Board and in all cases where we are satisfied that the insured is totally and permanently disabled, and where we waive premiums, that does not constitute income. The instalment benefit is optional. The War Veterans Allowance Board usually would consider the instalments as income and would reduce the war veterans allowance correspondingly.

Mr. GUNN: I was going to suggest, Mr. Chairman, that a possible way of meeting the point raised by Mr. Green would be by a re-arrangement of this particular wording. Starting with the word "where" in the 35th line, we would start the clause and it would then read:

Where his total disability has existed continuously for a period of at least one year, the insured shall, for the purpose of this section, be deemed to be totally and permanently disabled.

It is just a transposition. The word "where" starts the clause.

Mr. CROLL: And you will put a period after the word "disabled".

Mr. GUNN: Yes. Just switch the wording around and read it in this manner: "Where his total disability has existed continuously for a period of at least one year the insured shall for the purpose of this section be deemed to be totally and permanently disabled."

Mr. GREEN: That will accomplish it.

The CHAIRMAN: Those in favour of the amendment?
Carried.

Mr. PEARKES: Just one point. When you were reading section 9 (3) (a) you stopped reading at the words "Pension Act". There are several more lines in the copy of the bill that I have, dealing with Imperial pensions. Is that omission intentional?

The CHAIRMAN: I knew you had the bill before you so I was just outlining the points. The *Hansard* report will have the complete document.

Mr. PEARKES: It is as though you had read the whole thing. I do not want it read.

The CHAIRMAN: I skipped it just in the interest of saving time. Shall clause 3 as amended carry?

Carried.

Clause 4 on page 5:

4. (1) That portion of subsection one of section ten of the said Act that precedes paragraph (a) thereof, as enacted by section one of chapter forty-two of the statutes of 1922, is repealed and the following substituted therefor:

10. (1) If on the death of the insured a pension becomes payable under the *Pension Act* or the pension law of the United Kingdom, or of any of His Majesty's Dominions (other than the Dominion of Canada) or of His Majesty's Government, or of any of His Majesty's Allies or Associated Powers in the Great War, to any person or persons within the classes mentioned in subsections one and two of section four or in subsection one of section five, there shall be deducted from the benefit payable under this Act the aggregate present value of the pension or pensions so payable computed on such basis as may be prescribed by regulation made under section fifteen, and in such case there shall be returned to the beneficiary or beneficiaries in proportion to their respective interests under the contracts the proportion of the premiums paid (with interest at four per centum per annum compounded annually) which the amount of the said deduction is of the total amount assured under the contract: Provided,—

(2) Paragraph (c) of subsection one of section ten of the said Act, as enacted by section one of chapter forty-two of the statutes of 1922, is repealed and the following substituted therefor:

(c) That this section shall not operate when the beneficiary of the insurance is the wife of the insured and a pension is awarded under the *Pension Act* to some other person or persons named in subsections one and two of section four or in subsection one of section five.

This paragraph limits the benefits when the death of the assured is attributable to war service. Is this really the same as it is in the other Act?

The WITNESS: This is exactly the same. They have renumbered some sections, and that is the only reason for amending this section.

The CHAIRMAN: Shall the clause carry?

Carried.

Clause 5:

5. Section eleven of the said Act is repealed and the following substituted therefor:

11. Notwithstanding the provisions of this Act or the terms of any contract of insurance made thereunder, premiums falling due on or after the anniversary of his contract nearest the eighty-fifth birthday of the insured shall be waived.

Mr. CROLL: Generously!

Mr. BROOKS: Would this mean very much loss to the department?

The CHAIRMAN: We have one pensioner between 103 and 104, and he may have a policy.

Mr. GREEN: Is it not the case that all of these contracts have been paid up long before a person reaches 85?

The CHAIRMAN: There are some life contracts in existence.

Mr. BLACK: There are ordinary life contracts payable as long as the insured lives.

Mr. CROLL: It may be a good idea to make them retroactive. We were a little slow in getting this law through.

Mr. PEARKES: No limit as to when you can start to take out?

The CHAIRMAN: Yes, the time has expired for you and me.

Shall clause 5 carry?

Carried.

6. Sections twelve and thirteen of the said Act are repealed.

Shall clause 6 carry?

Carried.

7. Section fourteen of the said Act is renumbered as section twelve.

Clause 7?

Carried.

Clause 8:

8. Section fifteen of the said Act is repealed and the following substituted therefor:

13. Notwithstanding the *Senate and House of Commons Act* or any other law no person by reason only of his entering into a contract of insurance or receiving a benefit under this Act is liable to any forfeiture or penalty imposed by the *Senate and House of Commons Act* or disqualified as a member of the House of Commons or incapable of being elected to or of sitting or voting in the House of Commons.

Mr. STEWART: Is that retroactive? Suppose he has entered into a contract already?

The CHAIRMAN: Let us not go into that.

Carried.

Clause 9:

9. Section sixteen of the said Act is renumbered as section fourteen.

Carried.

Clause 10:

10. (1) Section seventeen of the said Act is renumbered as section fifteen.

(2) Paragraph (a) of section fifteen of the said Act as renumbered by this section is repealed and the following substituted therefor:

(a) prescribing such forms as he may consider necessary under this Act;

(3) Paragraph (i) of section fifteen of the said Act as renumbered by this section is repealed and the following substituted therefor:

(i) prescribing the class or classes of persons other than those mentioned in sections four and five who are entitled to be beneficiaries;

Carried.

Clause 11:

11. Section eighteen of the said Act is renumbered as section sixteen.

Carried.

Clause 12:

12. Section nineteen of the said Act is repealed and the following substituted therefor:

17. (1) The Minister shall cause a statement to be prepared within three months after the end of each fiscal year showing

- (a) the premiums received during the fiscal year;
- (b) the insurance moneys paid during the fiscal year;
- (c) the number and amount of contracts in force at the end of the fiscal year; and
- (d) such further information as the Minister deems advisable.

(2) Every such statement shall be laid before Parliament as soon as may be after it is prepared.

Mr. GREEN: Mr. Chairman, that last subsection is very indefinite. I think it would be wiser to leave the old subsection (3) which read:

(3) The Minister shall lay the said statement before Parliament within fifteen days after the statement has been submitted to him if Parliament is then sitting and if not then within fifteen days of the opening of the session of Parliament held next thereafter.

Mr. BURNS: It corresponds to the Veterans' Insurance Act.

The CHAIRMAN: This is an explanation of the phraseology used in the Veterans' Insurance Act which was in force following World War II, and which has been changed to conform with it. That is the only explanation I have for it.

Mr. GREEN: Are you not leaving that obligation indefinite?

Mr. CROLL: Is it indefinite? He has to bring in a statement within three months of the end of each fiscal year. He has got to have it. It says:

Every such statement shall be laid before parliament as soon as may be after it is prepared.

It is due within three months afterwards. He may be a few days late, but certainly you could not extend it much beyond that.

Mr. GREEN: There was a provision before that the statement had to be obtained within three months.

The CHAIRMAN: The only reason I know for the suggested change is that it conforms to the other bills which we reported the other day.

Mr. STEWART: He might have it prepared and he could put it on file as soon as it was prepared.

Mr. CROLL: It has nothing to do with combines, has it?

The CHAIRMAN: Somebody would be certain to think it did. I was not going to mention it, if you had not. Shall the section carry?

Mr. GREEN: What about the Ming Sung line?

The CHAIRMAN: Shall clause 12 carry?

Carried.

Clause 13:

13. Section twenty of the said Act, as enacted by section one of chapter thirty-eight of the statutes of 1930, is renumbered as section eighteen.

Shall clause 13 carry?

Carried.

Clause 14:

14. Section twenty-one of the said Act is repealed.

Shall clause 14 carry?

The WITNESS: Section 21 of the existing Act has to do with applications which were submitted very early in the history of the Act. Some of them were not accepted and it was thought later they should have been accepted. So this was put in to enable them to be approved. But that matter has been cleared up and there was no reason for the section being retained.

Carried.

Clause 15:

15. (1) Sections two and four of An Act to amend The Returned Soldiers' Insurance Act, chapter forty-two of the statutes of 1922, are repealed.

(2) An Act in respect of The Returned Soldiers' Insurance Act, chapter sixty-seven of the statutes of 1923, is repealed.

(3) Section three of An Act to amend The Returned Soldiers' Insurance Act, chapter forty-five of the statutes of 1928, is repealed.

Mr. CROLL: What was this about?

The WITNESS: This had to do mainly with the various extensions of the period of eligibility.

The CHAIRMAN: Shall clause 15 carry?

Carried.

Shall the title carry?

Carried.

Shall the bill as amended carry?

Carried.

Shall I report the bill?

Agreed.

Mr. GREEN: I have two minor corrections to make in connection with report No. 10 on page 305.

The CHAIRMAN: That is the one we just got, is it not?

Mr. GREEN: On page 305 I am reported as having said:

Mr. GREEN: I know in our province you can get a judicial separation by proving adultery, but you cannot get a divorce. I think that the word "adultery" should read "cruelty". And then on page 312 I am reported as saying:

Mr. GREEN: Mr. Chairman, we had evidence to the effect that either one or both of these organizations are now incorporated under the Companies Act, 1934.

I was referring there to the legion and to the army and navy. In fact, I think the legion is not incorporated under the Companies Act. I think it should read as follows:

We had evidence that either one or both are not now incorporated under the Companies Act of 1934 and that the Legion is not incorporated under any Companies Act.

They are both obvious errors in the transcript.

The CHAIRMAN: The clerk will make a note of them and they will be entered in today's proceedings.

That brings us to the conclusion of the consideration of the matters which have been referred to us so far this session. Our current report will include the carrying of these two bills as amended and we will report them to the House. At the moment I know of no likelihood of the necessity of calling the committee together again.

Mr. LENNARD: Do you anticipate further instructions from the government? You said: "so far".

The CHAIRMAN: We are still sitting and the House is still sitting; and in veterans affairs my experience has been that nothing is final.

Mr. HERRIDGE: I thought there was one clause of the other insurance bill which was put over.

The CHAIRMAN: There was, but we disposed of it just before you came in. You will be glad to know that we dropped it, and that it has been deleted from the bill.

Mr. CROLL: Before the committee rises may I express on behalf of the members of the committee our thanks to you, Mr. Chairman, for your energies, your efforts, your patience, and for the work which you have done in bringing about what we have been able to achieve on behalf of the veterans. We also want to thank General Burns and the members of his staff who have given so much of their time and who have been so helpful to us.

This committee has always carried on its work with one interest in mind. We have always been here to serve our constituents and particularly the veterans. We have built up legislation for them which we look upon as the best there is in the world and we shall continue to do so. I think this committee has been a fruitful one. It has advanced some new legislation and improved on some old legislation. It has been useful and helpful to the veterans of this country. I am sure that the House will appreciate the work we have done and in any event I want to thank you, Mr. Chairman, and the other members of the committee for having devoted themselves to this work in the interests of the veterans of this country.

The CHAIRMAN: Thank you, Mr. Croll. It is always injudicious to invite any politician; particularly myself, to make a speech. I promise you I shall not be long. But there are one or two things I would like to say.

It has been a matter of more than ordinary pleasure and satisfaction to me to preside over this committee again. It is always difficult for me, from the chair, not to take more part in the discussions. But over the years I have learned a little in the way of restraint, and I sincerely hope that our deliberations have been profitable.

The things which were accomplished in this committee this year were not born of this committee but are part of the culmination of the work of years. In connection with that I would like to say to those who have come for the first time to a Veterans Affairs Committee, that this committee is unique among committees. For one thing, the general level of personal knowledge of the subject is, I think, higher in this committee than in any other committee in the House of Commons. Most of the members who speak have a pretty fair idea of what they are talking about. We are bound together in working for the welfare of former comrades.

It is an honour to have presided over this committee and I would like to say to those who have come from the different groups for the first time that they have seemed to appreciate the atmosphere of the committee and they have not persisted in making mistakes of the kind that some of us made in our first appearances here.

I do wish to thank you all for your co-operation and I hope our work will be of benefit to our comrades generally, and that it will encourage governments in the future.

Mr. BROOKS: Before we leave, I was wondering if the report of the committee will be referred to the House. I understand that it is usual.

The CHAIRMAN: You mean the *Hansard*?

Mr. BROOKS: Yes.

The CHAIRMAN: The *Hansard* of the committee is sent to the House with our last report.

Mr. BROOKS: I might also say, while I am on my feet, how much I agree with my friend David Croll, here, and I feel that our chairman has as usual done a very good job with the material that he had to work with. I think I would have to say that.

The CHAIRMAN: You fellows are too modest.

Mr. BROOKS: He has been a good chairman and we appreciate it very much.

The committee adjourned.

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